



DAILY INFORMATION BULLETIN

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

Wednesday, December 18, 1996

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Transcript of Governor's media session

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

Governor: I am sorry to keep you waiting. What a fantastic hotel! I am pleased to have made another visit to Kowloon. It is, I think, the third district visit I have made and of course I have been here on many other occasions, and I was particularly pleased to see the school and the Eye Hospital which is one of Hong Kong's best hospitals and does marvellous work for the community.

Question: So ... Tung Chee-hwa has made it clear that his position about the Government heading recently ... don't you think you are on a road to inevitable friction if you don't ...?

Governor: Mr Tung and the whole community know what our position is on the Legislative Council and the Provisional Legislature. They know what our position has been for years and I don't think anybody is expecting us to change it.

Question: But you have pledged to co-operate fully with the Chief Executive, I don't understand how you can co-operate if you don't come to some sort of terms on the Provisional Legislature that is actually going to come into effect, isn't it?

Governor: Well, it doesn't demand a very large leap of your imagination to see that the position is. We have always made it clear that we would co-operate within the terms of the Joint Declaration and the Basic Law. You know perfectly well what the position is as regards the Provisional Legislature. And just to save you asking the same questions over and over again, the answer that I give next week and the week after will be exactly the same answer as I gave last week and the week before. I am sure there will be further statements about the position later in the week.

I would remind you of the Joint Declaration and Article 30, in which of course Chinese officials are pledged to co-operate with this Government in administering and running Hong Kong until June 30 next year. As far as Mr Qian Qichen is concerned, there can only be one Legislative Council until June 30 next year and that is the one we have today. I am sure Mr Qian has not changed his mind on that and I have not changed my mind either.

Question: But will this difference affect the co-operation between you and Mr Tung?

Governor: It certainly won't affect the willingness on our part to provide all reasonable co-operation to Mr Tung.

Question: Are you going to meet him soon?

Governor: Well, we have agreed that we should meet after his visit to Peking and after all the formalities of his appointment are out of the way. He confirmed that in a letter to me the other day. And I am sure when we meet we will let you all know about it.

Question: Mr Patten, for French TV. This is the last Christmas for British authorities here in Hong Kong. What do you feel ... of all?

Governor: I look around, I look out of that window for example, at that view of a magnificent city, and I feel proud that Hong Kong is one of the greatest cities in the world. A refugee community which has become so spectacularly prosperous and so stable, thanks to the combination of the hard work, the vigour, the skill of Chinese men and women, many of whom came here as refugees, combined with the rule of law, decent, clean public administration and all the freedoms that all of us would associate with an open society.

I think that has been a spectacular combination. It has produced a very successful, thriving city. We have an economy which has been praised as the freest in the world in recent days by an American think-tank, which has received a very substantial endorsement for its economic management recently from the IMF. I am very proud of Hong Kong and I will remain very proud of Hong Kong.

Question: Do you think it could continue ... with Beijing ...?

Governor: I think that if Chinese mainland officials stick to what they have promised in the Joint Declaration, I think if they trust Hong Kong and if they trust Mr Tung to govern Hong Kong with the autonomy which has been promised, then I am sure that Hong Kong will continue to be very successful.

Question: Are you optimistic?

Governor: I am as optimistic as I have just sounded.

End

Financial Secretary's remarks on IMF

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Following is the transcript of the remarks on the IMF made by the Financial Secretary, Mr Donald Tsang, at a media session at the Legislative Council today (Wednesday):

Question: Mr Tsang, the report again apply to Hong Kong's ... It seems that Mr Tung Chee-hwa has a slightly different view and I wonder how comfortable you ... carrying out policy that you don't seem to agree with their principles.

Financial Secretary: I don't think there is any major difference in principle. The policy of Hong Kong is very well accepted and proved to be very successful in Hong Kong. As far as Hong Kong's economy is concerned, it continues to evolve. The debate on how we are able to deal with our industrial development in the future is a lively one and we'll continue to have that. I am pretty open-minded on that issue. But as far as our fundamental principle of our fiscal management, the way in which we deal with the economy, of course I have rather strong views. And I will adhere to those strong views. But I will continue to listen, and I am quite sure that we can work together very well. And I know Mr Tung very well, and I don't think we have any fundamental views of difference.

End

Widely held confidence in Hong Kong's prospects - IMF says

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The recent Mission of the International Monetary Fund (IMF) gave a very positive assessment of Hong Kong's economic performance in 1996 and its prospects in 1997.

The assessment was made in a Concluding Statement by an IMF Staff Mission following an annual consultation with Hong Kong.

The Financial Secretary, Mr Donald Tsang, has decided to make public the Concluding Statement for the first time as part of the Government's efforts to enhance openness and transparency.

In its Concluding Statement, the IMF noted that, compared to last year, there is a significant reduction of uncertainties over the transition in 1997 and widely held confidence concerning Hong Kong's prospects.

The IMF Mission said that the current macroeconomics conditions in Hong Kong are healthy, providing a conducive environment for a smooth political transition. The Mission noted that a moderate recovery is underway, with a real GDP growth rate reaching 4-1/2 to 4-3/4 per cent in 1996; and that the recovery would continue to broaden and strengthen, reaching a 5-5-1/4 per cent real growth in 1997.

The Mission added that confidence was helped by reassurances made by the Chinese on keeping Hong Kong's economic and legal system intact. In particular, China's commitment to maintain two separate monetary systems and currencies, and two mutually independent monetary authorities was noted. The Mission also pointed out that the rule of law, neutrality of the civil service, impartiality of the judiciary, and freedom of information are values which are key to Hong Kong's economic future.

Under Article IV of the IMF Articles of Agreement, the IMF consults its members and their territories on their economic policies. The IMF annually sends a Mission to conduct an economic review on Hong Kong and has done so since 1990.

Earlier this month, the IMF Staff Mission came to Hong Kong for ten days and held discussions with the private sector and government officials. At the end of the consultation, the Mission summarised its views in a Concluding Statement.

"The independent, candid and authoritative views and advice we receive each year from the IMF are insightful and thought-provoking. They are both important and helpful," said Mr Tsang.

"I am delighted to publish the IMF Mission's views as a further step to promote the openness, transparency and accountability of the public financial systems in Hong Kong."

The IMF Mission gave firm and clear endorsement of the continuation of Hong Kong's existing policy framework -- prudent fiscal policy, the linked exchange rate and firm financial regulation. The Mission also urged Hong Kong to promote competition policy in the service-based industries.

On monetary policy, the IMF Mission agreed that the linked exchange rate should remain the overriding monetary policy objective and that it is important to the continued economic stability and growth in the future. "In the Mission's view, the linked rate is in line with the fundamentals of the economy and it is backed by substantial and rising reserves," the Concluding Statement pointed out.

The IMF Mission also welcomed initiatives by the Hong Kong Monetary Authority (HKMA) to improve the financial sector infrastructure, including the implementation of the Real Time Gross Settlement system to minimise payment risk in interbank transactions. The Mission also endorsed HKMA's priority on maintaining high standards of prudential supervision.

"We are pleased to learn that the IMF Mission, after a thorough and rigorous analysis, has found that our policies and principles are sound," said the Chief Executive of the HKMA, Mr Joseph Yam.

On fiscal policy, the IMF Mission supported Hong Kong's traditional non-interventionist approach and the principle of a small government. It advised the government to resist calls for fiscal stimulus to encourage the recovery that is underway. Despite a medium term forecast of an annual budgetary surplus representing 1 to 2 per cent of GDP, the IMF Mission urged continued fiscal prudence to offset upward pressure on inflation and the real exchange rate. The IMF Statement noted that land revenues will constitute a greater proportion of overall government revenues and urged that "over the medium term, expenditures should continue to be primarily covered by recurrent rather than capital revenues".

The IMF Mission acknowledged the important steps taken by the authorities to deregulate markets. Noting that future development would depend critically on the competitiveness in the service-based industries, the IMF Mission encouraged the authorities to move even faster on promoting competition in such areas as telecommunications, transportation, utilities and broadcasting.

"Given the sound fundamentals of Hong Kong's economy, increased transparency can only strengthen investor interest and confidence in Hong Kong's future," the Concluding Statement said.

End

Governor visits Kowloon City district

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The Governor, the Rt Hon Christopher Patten, was updated on the general situation in Kowloon City district during his visit today (Wednesday).

Mr Patten first visited the Hong Kong Eye Hospital where he was briefed on the ophthalmic services provided by the hospital. The Hong Kong Eye Hospital has been in operation since 1992 to provide secondary ophthalmic service for patients in the Kowloon region. It also organises regular ophthalmology training programmes for student nurses and doctors.

The Governor then went to the Kowloon Lok Sin Tong Primary School where he was told of the arrangements made by the school to assist new arrival students. Over 80 per cent of the 300 students of the school are new immigrants who have arrived in Hong Kong for less than two years. Special classes are being arranged to assist them to adapt to the local curriculum.

The Governor also visited the Kowloon City Plaza, which is the largest and newest shopping and entertainment complex in the district.

The visit ended with a tea reception in the Harbour Plaza where Mr Patten met local district board members and community leaders.

Accompanying the Governor were the Director of Home Affairs, Mrs Shelley Lau, and the Kowloon City District Officer, Mr William Yap.

End

EMSD signs Entrustment Agreement with Airport Authority

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The Electrical and Mechanical Services Department (EMSD) has been entrusted by the Airport Authority to procure a new fleet of specialist fire fighting vehicles for the new airport at Chek Lap Kok.

An Entrustment Agreement was signed yesterday (Tuesday) by the Director of Electrical and Mechanical Services, Mr Hugh Phillipson, and the Chief Executive Officer of the Airport Authority, Dr Henry Townsend.

Speaking after signing the agreement, Mr Phillipson said that the new fleet would include a rapid intervention fire fighting vehicle meeting the most stringent standards for an international airport.

"The EMSD has provided similar professional vehicle procurement services to the Civil Aviation Department for the Kai Tak International Airport for more than 25 years. We are proud to carry on with the work and will ensure the availability of the specialist vehicle fleet for runway testing well before the airport opening," he said.

End

Students urged to guard against corruption

* * * * *

The Deputy Director of Education, Mr T F Kwan, today (Wednesday) urged students to be always on guard against corruption and to help preserve justice and fair play in society.

Addressing the Annual Speech Day of Tang Shiu Kin Victoria Technical School, Mr Kwan said it was discomfoting to note from an ICAC survey that youngsters nowadays have rather permissive attitudes towards corruption, with some feeling that bribes are necessary to operate business.

"Don't think that corruption is a far far away issue and don't underestimate its impact on your life," Mr Kwan said.

"Think about the restaurant in which tables are offered to latecomers just because they offer 'tea money' to the waiters while you have been queuing for a long time.

"Corruption spoils the fruits of our labour. If corruption prevails, we cannot have equal opportunity and privileges will be given to those who offer bribes.

"A little yeast works through the whole batch of dough. In the same way, corruption can undermine the stability and prosperity of Hong Kong. We must therefore always be on guard against corruption," he said.

Mr Kwan noted that in the 1950s and early 1960s, corruption was very serious.

"What you are now enjoying, i.e., a clean Government, is the result of the dedicated efforts of the ICAC and the whole community."

End

New teaching kit on drug education for schools

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A new Education Department teaching kit for primary schools stresses love for life and a positive way of living as an effective deterrent from drug abuse.

The teaching kit entitled "Towards a Fruitful Life", which is in Chinese only, is being distributed to all primary schools by the Humanities Unit of the Education Department's Curriculum Development Institute.

The teaching kit provides teachers of General Studies with suggestions on learning activities and a wealth of resources on topics related to drug education. It is supplemented by a chess game, a story cassette tape and a number of jigsaw puzzles.

"The problem of adolescent drug abuse and lowering of age of first-time drug users are matters for concern," the Principal Inspector (Humanities) of the Curriculum Development Institute, Ms W N Bau, said.

"The kit reinforces the subject of General Studies in primary schools. It encourages pupils to participate actively in learning activities rather than just receive information on drugs. The teacher provides hints to get the learning activities under way.

"The kit does not only provide an understanding about drugs, but also the interrelationship among people, the environment and drugs, which are crucial factors for adolescent drug abuse.

"The material is classified into four modules: understanding drugs, understanding oneself, the right choice and leading a positive life. In each module, the objectives, teaching emphasis and a range of suggested learning activities are given in the Teacher's Handbook," added Ms Bau.

The Education Department will organise seminars to familiarise teachers with the teaching kit, and to provide an opportunity for teachers to discuss and exchange views on drug education.

End

Five government lots to let

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The Lands Department is inviting tenders for the short-term tenancies of five pieces of government land in Kowloon and the New Territories.

The first lot located in Lai Fat Street, Cheung Sha Wan, has an area of about 8,530 square metres. The tenancy for the lot is one year, renewable quarterly.

The second lot at On Chun Street, Area 100, Ma On Shan, has an area of about 5,280 square metres. The tenancy for the lot is two years, renewable quarterly.

Both lots are intended for use as fee-paying public car parks.

Covering an area of about 2,450 square metres, the third lot is situated at Area 10B, Kwai Shing Circuit, Kwai Chung. The tenancy is for three years, renewable quarterly.

The fourth lot at Tam Kon Shan Road, Area 9, Tsing Yi, has an area of about 268 square metres. The tenancy is for 18 months, renewable quarterly.

The third and fourth lots are designated for open storage except storage of containers, container tractors and trailers, motor vehicles, offensive goods, dangerous goods and construction materials.

With an area of about 10,600 square metres, the fifth lot is situated at Tsing Mui Street, Area 16, Tsing Yi. It is intended for use as a fee-paying public car park. The tenancy is for one year, renewable monthly.

Tender forms, tender notices and conditions can be obtained from the Lands Department, 14th floor, Murray Building, Garden Road, Hong Kong, and the respective District Lands Offices of Kowloon, Sha Tin, Tsuen Wan and Kwai Tsing.

Tender plans can also be inspected at these offices.

End

Hong Kong Monetary Authority interbank liquidity

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Aggregate balance of settlement time accounts

Opening aggregate balance	604 mn	0930 hr	18,167 mn
Closing aggregate balance	769 mn	1000 hr	19,448 mn
Change attributable to :		1100 hr	23,494 mn
Money market activity	-1,426 mn	1200 hr	29,710 mn
LAF reversal	+9,917 mn	1500 hr	32,529 mn
LAF today	-8,326 mn	1600 hr	37,174 mn

LAF rate 4.00% bid/6.00% offer TWI 124.9 *+0.0* 18.12.96

Hong Kong Monetary Authority

EF bills		EF notes/MTRC notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.18	2 years	2811	5.72	100.09	5.75
1 month	4.32	3 years	3910	6.28	100.55	6.15
3 months	4.63	5 years	5112	6.57	99.38	6.83
6 months	4.88	7 years	7311	6.80	98.77	7.15
12 months	5.17	10 years	1610	7.37	100.76	7.39
		5 years	M503	7.35	101.38	7.12

Total turnover of ef bills and notes - \$14,323 mn

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End



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SUPPLEMENT

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Sex Discrimination (Proceedings by the EOC) Regulation

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Following is the speech by the Secretary for Home Affairs, Mr Michael Suen, in moving the resolution of the Sex Discrimination (Proceedings by the Equal Opportunities Commission) Regulation in the Legislative Council today (Wednesday):

Mr President,

I move the resolution standing in my name on the Order Paper. The resolution is to the effect that the Sex Discrimination (Proceedings by the Equal Opportunities Commission) Regulation made under section 89 of the Sex Discrimination Ordinance be approved.

The Sex Discrimination (Proceedings by the Equal Opportunities Commission) Regulation, if passed, will enable the Equal Opportunities Commission to bring court proceedings in its own name when it appears to the Commission that the claim is well founded, and where the case raises a question of principle and it is in the interests of justice to do so.

The Regulation will also enable the Commission in any such proceedings to seek a declaration that the act which is the subject of the proceedings is an unlawful act or an injunction in respect of such act or both.

Mr President, I beg to move.

End

Code of Practice on Employment under Sex Discrimination Ordinance

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Following is the speech by the Secretary for Home Affairs, Mr Michael Suen, in moving the resolution to amend the Chinese text of the Code of Practice on Employment under the Sex Discrimination Ordinance in the Legislative Council today (Wednesday):

Mr President,

I move that the Chinese text of the Code of Practice on Employment under the Sex Discrimination Ordinance, tabled in this Council on 20 November 1996, be amended as set out in the proposed Resolution of the Legislative Council circulated to Members.

The purpose of the amendments is to better achieve consistency of translation between the English and the Chinese texts of the Code of Practice.

Mr President, I beg to move.

End

Disability Discrimination (Formal Investigations) Rules

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the resolution on the Disability Discrimination (Formal Investigations) Rules today (Wednesday):

Mr President,

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

The Disability Discrimination (Formal Investigations) Rules (L.N. 474/1996) were introduced into this Council on 20 November. The purpose of this amendment is to rectify a textual error in the Form of Notice in Schedule 1 to the rule. This is to reflect, correctly, the proper source under which the Equal Opportunity Commission has delegated its function to a person to serve a notice to furnish information for the purpose of an investigation.

Mr President, I beg to move.

End

Code of Practice on Employment

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the resolution on the Code of Practice on Employment under the Disability Discrimination Ordinance today (Wednesday):

Mr President,

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

To ensure consistency of the Chinese and English versions of the Code of Practice on Employment under the Disability Discrimination Ordinance (G.N. 5204) which was introduced into this Council on 20 November 1996, I propose a textual amendment to the gazetted English version of the Code and a total of 17 textual amendments to the Chinese version as specified in my resolution.

Mr President, I beg to move.

End

COMAC (Amendment) Bill 1996 (resumed debate)

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Following is the speech by the Chief Secretary, Mrs Anson Chan, at the resumed debate of the Commissioner for Administrative Complaints (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr President, I would like to thank the Honourable Mrs Selina Chow, the Chairman of the Bills Committee, and the other members of the Bills Committee for their hard work and efficiency in examining this Bill. In a relatively short space of time they have looked carefully at all aspects of the Bill.

In the light of concerns expressed by members on the particular aspect of the Bill, I shall move amendments during the committee stage.

The Bill seeks to empower COMAC to investigate complaints and non-compliance with the Code on Access to Information, against the Police, the ICAC and the Secretariats of the Independent Police Complaints Council and the Public Service Commission. To improve COMAC's working procedures and to change COMAC's English title to "The Ombudsman".

The Administration has stated publicly that the Code on Access to Information, the Code, will be extended throughout the Government by the end of this year. We are committed to this undertaking. The Code will be extended to the last of the 90 government departments and branches later this month. For the more efficient operation of the Code we consider it preferable to have a single independent review body for all agencies included under the Code. The Bill therefore seeks to amend the COMAC Ordinance to enable COMAC to investigate complaints and non-compliance with the Code against the four agencies, i.e. the Police, the ICAC and the Secretariats of the Independent Police Complaints Council and the Public Service Commission, which are at present not subject to COMAC's jurisdiction.

A member of the Bills Committee considers that COMAC's jurisdiction should be expanded so that he may investigate all general complaints of maladministration on the part of the Administration. The Administration is strongly against this proposal. I shall explain our position during the committee stage.

Other members of the Bills Committee point out that our proposed amendments to Schedule 2 of the Ordinance seem to go further than our expressed intention in that it was not limited to actions involving the Police and the ICAC. The Administration accepts this point. I will therefore be moving a committee stage amendment to spell out more clearly our intention.

The Bill proposes two improvements to COMAC's working procedures. First, the existing secrecy provision under section 15 of the COMAC Ordinance is unnecessarily restrictive. The Bill seeks to facilitate COMAC and its staff in their investigation of complaints. The Bills Committee agrees with our proposal.

Secondly, the proposed amendment to section 16(1) of the COMAC Ordinance will make the reporting requirements of COMAC under the section discretionary instead of mandatory. This will enable COMAC to have more flexibility in handling simple and minor complaints so that he can put the resources available to him to the most effective use.

COMAC will exercise this discretion very carefully, taking into account the nature of individual complaint cases. He will continue to inform the complainant the result of his investigation and be required to provide a report on the outcome of his investigations to the head of an organisation concerned under section 17(2) of the Ordinance if he has not already done so under section 16(1). This proposal, too, has been approved by the Bills Committee.

Finally, the proposed change of COMAC's English title to "The Ombudsman" will reflect more accurately his present powers and jurisdiction which are now more akin to those of a traditional Ombudsman following the legislative changes effected in June 1994. It will also bring him into line with international practice. The Bills Committee has also agreed to this proposal.

Mr President, the Bills Committee has indicated support for the Bill, subject to the amendment of schedule 2, and one minor amendment to the Chinese text which I shall move during the committee stage. I hope that members of this Council will support these CSA's and the Bill as a whole and oppose the amendment that will be moved by the Honourable James To.

I would like to make it clear that for the reasons which I shall give during the committee stage, if these amendments are agreed to by this Council, the Administration will have no option but to withdraw the Bill before it is given its third reading. Thank you Mr President.

End

COMAC (Amendment) Bill (committee stage)

* * * * *

Following is the speech by the Chief Secretary, Mrs Anson Chan, at the committee stage of Commissioner for Administrative Complaints (Amendment) Bill 1996 at the Legislative Council today (Wednesday):

Mr Chairman, the Administration strongly opposes the amendments moved by the Honourable James To to extend the Commissioner for Administrative Complaints (COMAC's) general jurisdiction to cover the Royal Hong Kong Police Force and the Royal Hong Kong Auxiliary Police Force.

Complaints against the police are already monitored and reviewed by the Independent Police Complaints Council (IPCC). On July 10, 1996, the Administration introduced into LegCo the IPCC Bill which proposes to make the IPCC a statutory body. This will provide the legal basis for the IPCC to discharge its functions of monitoring and reviewing the investigations by the Complaints Against Police Office (CAPO) into complaints against police officers. It will increase the credibility of the IPCC and enhance public confidence in the existing police complaints system.

Members of this Council have started to examine this Bill. The first meeting of the Bills Committee was held on December 16. We consider that any proposal to improve the police complaints system should be examined in the context of the IPCC Bill. The COMAC (Amendment) Bill is not the appropriate forum.

Apart from introducing the IPCC Bill, the Administration has already implemented a number of measures to improve the police complaints system. These include:

- * in July 1994, enabling the IPCC to interview witnesses, including both the complainant and the complainee;
- * in September 1994, installing closed-circuit television, video or tape-recording facilities in the CAPO to ensure transparency during interviews;
- * in April 1996, introducing the IPCC Observer Scheme whereby IPCC members may participate in scheduled and surprise observations of CAPO investigations to enhance the credibility and transparency of the system.

In addition, we will be implementing the recommendations arising from an independent review of CAPO procedures and a comparative study of overseas police complaints system. These will ensure that complaints are handled thoroughly, impartially, and with due expedition. For example, by setting time limits for investigation and by setting up a special panel of the IPCC to monitor serious cases.

The above measures demonstrate that we are committed to improving the existing police complaints system. We strongly oppose the proposal to involve an additional statutory body, COMAC, in investigating complaints against the police. This will result in drastic changes to the existing system which has been running smoothly and to which improvements are being made.

It will also cause considerable confusion. What, for example, would be the role of the IPCC under the new system? Is it envisaged that the IPCC would monitor the investigations carried out by COMAC? If so, how would that square with COMAC's independence?

We should also not underestimate the effect that these changes would have on the police themselves. At this time more than any other, we need a police force that is focused on its work and confident in its ability to serve the community, not one that is distracted by other issues and that feels under attack from members of this Council.

One other important point is that the proposal to place the police under COMAC's general jurisdiction would have serious practical implications for COMAC's operations. The large number of complaints handled by CAPO in recent years would mean a very substantial increase in the number of complaint cases COMAC would have to deal with. In 1994 and 1995, for example, CAPO handled 4,328 general complaints of maladministration against the police. This is about 1.4 times the total number of complaints received by COMAC during the same period. Apart from requiring a significant increase in staff resources, COMAC would also need special expertise to handle these new cases. Experience has shown that investigations of complaints against police officers are often associated with matters concerning criminal investigations. COMAC would find it difficult, if not impossible, to conduct these investigations effectively without the assistance of highly trained and experienced professional investigators. This applies equally to complaints of a non-criminal nature. The special circumstances of police work are such that for complaints to be investigated by outsiders could be very difficult and possibly counter-productive.

At a time when COMAC is beginning to work off a large backlog of cases arising from the introduction of the direct access policy in 1994, the Administration strongly believes that even if it were desirable to give him jurisdiction over all complaints against the police - which it is not - it would not be feasible or in the public interest for him to take them on.

Mr Chairman, to sum up, we consider that it would be quite wrong to include the police and the auxiliary police under COMAC's general jurisdiction. The Administration cannot accept these amendments. As I said in my speech during the second reading debate on this Bill, if they are approved by members we do not have any option but to withdraw the Bill. I therefore strongly urge members to vote against the amendments.

I have thought it necessary to make clear the Administration's position on this issue, now, before we proceed further. This is not intended in any way to be political intimidation, rather I would say that it is simply having the courage to make clear the Administration's position rather than springing a surprise on members at the third reading stage.

As Mr To has pointed out, the Administration rarely withdraws a bill before the third reading and would not do so if the Administration was able to accept the amendments proposed by members. That we have chosen to invoke our right on this occasion reflects the very strong objections we have to the amendment for both policy and resource reasons. Thank you Mr President.

End

COMAC (Amendment) Bill 1996 (3rd reading)

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Following is the speech by the Chief Secretary, Mrs Anson Chan, at the third reading of the Commissioner for Administrative Complaints (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Mr Chairman, I move that clauses 8 and 10 be amended as set out under my name in the paper circulated to members. The amendment to clause 8 is a minor one in the Chinese text which clarifies the intention of our proposal to enable COMAC to have greater flexibility in handling simple and minor complaints. The amendment to clause 10 is in response to the concern expressed by members in the Bills Committee and is supported by the Committee.

When the Police and the ICAC are brought within COMAC's jurisdiction for the purpose of the Code on Access to Information, we need to ensure the security of sensitive materials relating to the prevention, detection or investigation of crime. The amendment seeks to clarify the intention of our proposed new item 10 in schedule 2 of the Ordinance by stating explicitly that the proposed restriction on COMAC's investigation into matters relating to the prevention, investigation and detection of crime, should be limited to actions involving the Police and the ICAC.

End

Bankruptcy (Amendment) Bill 1996 (second reading)

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Following is the speech by the Secretary for Financial Services, Mr Rafael Hui, at resumption of second reading debate of Bankruptcy (Amendment) Bill 1996, in the Legislative Council today (Wednesday):

Mr President,

I am grateful to the Members of the Bills Committee, and in particular its Chairman, the Honourable Ronald Arculli, for the detailed scrutiny that they have given to the Bankruptcy (Amendment) Bill 1996 which is a long and technical bill. We are grateful for their support of the Bill and also for the constructive suggestions that they have made in relation to it.

I outlined the main elements of this Bill when it was introduced into the Council earlier this year and I do not propose to repeat them again now. Suffice to say the Bill will modernise and streamline the legislative framework and procedures for the administration of personal insolvencies and also represents the first phase in a comprehensive overhaul of our insolvency system.

Mr President, I shall be proposing a limited number of amendments to the Bill at the Committee Stage, all of which have been agreed with the Bills Committee. These amendments, which are mainly technical, are being proposed primarily in response to specific concerns raised in submissions made to the Bills Committee, notably by the Hong Kong Association of Banks and the Hong Kong Society of Accountants, and well as issues raised by the Bills Committee itself.

Of particular concern to the accountancy sector was the possibility that tax information relating to a bankrupt that was obtained by the trustee in bankruptcy might also become available to creditors or other unrelated parties. To allay this concern I shall move an amendment to provide suitable safeguards in relation to maintenance of tax secrecy.

One aspect which received close attention from the Bills Committee was the proposed time period leading up to the automatic discharge from bankruptcy for a first-time bankrupt. The Bill proposes that this should be 3 years based on the precedents set under the UK Insolvency Act 1986 and the Australian Bankruptcy Amendment Act 1981. However, the Bills Committee felt that this may not be sufficiently long, noting also that under bankruptcy legislation in Singapore the corresponding period is 5 years. Members of the Committee considered that 4 years rather than 3 would be more appropriate for Hong Kong's situation. I am prepared to defer to their judgement particularly in view of the fact that it is open to a bankrupt to apply for early discharge. I will be moving an amendment to reflect this change.

Under the existing Bill, there are no specific provisions for sanctions if a discharged bankrupt subsequently fails to co-operate with the trustee after his discharge from bankruptcy. At the request of the Bills Committee, I will move an amendment to provide for sanctions to be imposed for such non-co-operation.

Under the Bill, a new statutory duty is imposed on the trustee to adjudicate proofs of debts within four years or to seek an extension of time from the court, in cases where there is a reasonable prospect of a dividend being paid. We have subsequently agreed with the Bills Committee that the specific period will be prescribed in the rules.

With these remarks, I commend the Bill to Honourable Members.

End

Bankruptcy (Amendment) Bill 1996 (committee stage)

* * * * *

Following is a speech by the Secretary for Financial Services, Mr Rafael Hui, in moving the Committee Stage Amendment to the Bankruptcy (Amendment) Bill 1996 in the Legislative Council today (Wednesday):

Chairman,

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

Under clause 20 of the Bill, a first-time bankrupt is discharged from bankruptcy at the expiration of 3 years from the commencement of the bankruptcy, subject to there being no valid objection from the trustee or a creditor. As I mentioned earlier, the Bills Committee felt that a period of 4 years would be more appropriate in the context of Hong Kong. Appropriate amendments are therefore made to sections 30A(2) and 30C(2), the latter of which is a transitional provision covering existing bankrupts. The amendment to section 30A(3) is consequential to this change and reflects the position taken by the Bills Committee that even where objections to automatic discharge are raised by the trustee or a creditor and the period of bankruptcy is subsequently extended, the total maximum period of a bankruptcy should remain at 8 years.

The amendment to section 30A(8) make it clear that if a discharged bankrupt subsequently fails to co-operate with the trustee after his discharge from bankruptcy, such non-co-operation will constitute contempt of court for which sanction is already available.

The Hong Kong Society of Accountants and Members of the Bills Committee expressed concern over the extent of section 30D of the Bill which deals with the ability of the court to order the Commissioner of Inland Revenue to produce certain documents relating to a bankrupt before the court. The proposed amendment to clause 21, new section 30D of the Bill, limits the production of such documents to private examinations held in Chambers, restricts access to this information to suitably qualified trustees and also imposes a duty of confidentiality on the trustee. The Commissioner of Inland Revenue is also empowered to apply to the court for the discharge or variation of the order.

Clause 25 of the Bill adds claims in tort to the types of unliquidated damages that are provable in bankruptcy. Amendments are made to clause 25 to clarify that a trustee may refer debts or liabilities relating to such unliquidated damages to the court for valuation. At the request of the Hong Kong Association of Banks a further clarification is made in respect of the conversion method used when dividends are paid in foreign currency.

The new section 34(7A) provides that the trustee shall be obliged to make a decision on a proof of debt within a period to be prescribed in the rules.

Under new section 51A of the Bill, where a person has benefited indirectly from a "transaction at an undervalue" or an "unfair preference" undertaken by a debtor and that person "was an associate of, or was connected with" the debtor or the person with whom the debtor dealt in the first instance, then the interest or benefit received is presumed to have been received other than in good faith and suitable redress may be sought by the debtor's estate. The Hong Kong Association of Banks queried the extension of the provision to "connected" persons which is not defined and could inadvertently catch an innocent bank dealing with a debtor in the normal course of business. We accept that these words can be deleted without materially altering the objective of the sub-section and I, therefore, propose that clause 36 be amended accordingly.

The proposed amendment to clause 47 of the Bill takes on board a concern raised by the Bills Committee in relation, particularly, to the issue of tax secrecy. It widens the classes of persons who may make a complaint to the court about the conduct of a trustee so as to include the Official Receiver, the bankrupt or any other person.

The other amendments proposed are either technical or textual in nature or to amend the Chinese text of the Bill to reflect drafting improvements. All the amendments have been agreed by the Bills Committee.

Mr Chairman, I beg to move.

End

Bankruptcy (Amendment) Bill 1996 (committee stage)

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Following is a speech by the Secretary for Financial Services, Mr Rafael Hui, in moving committee stage amendment to the Bankruptcy (Amendment) Bill 1996, in the Legislative Council today (Wednesday):

Mr Chairman,

I move that new clauses 47A and 75A as set out in the paper circulated to Members be read the second time.

The new clause 47A amends section 87 of the Ordinance to provide for the fee that may be charged by the trustee or the Official Receiver for supplying a creditor with the list of creditors and debts due, to be prescribed in subsidiary legislation rather than being specified in the principal Ordinance as it now is.

The new clause 75A makes a consequential amendment to the Companies Ordinance. It is consequential to clause 36 of the Bill which repeals sections 47 to 51 of the Bankruptcy Ordinance, dealing with "fraudulent preferences", and replaces them with new provisions on "transactions at an undervalue" and "unfair preferences", which are concepts that are defined under the relevant sections of the Bill.

The concept of "fraudulent preferences" is also employed in sections 266 and 266A of the Companies Ordinance and account therefore needs to be taken of the changes brought about by this Bill. The proposed section 266B deems a "fraudulent preference" to be an "unfair preference", as provided for under section 50 of the Bankruptcy Ordinance, in the case of a company being wound up after the commencement of the Bankruptcy (Amendment) Ordinance 1996. For a winding-up commenced before this date, the present provisions of the Companies Ordinance will continue to apply.

Mr Chairman, I beg to move.

End

Submarine Telegraph Bill 1996

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Following is a speech by the Secretary for Economic Services, Mr Stephen Ip, in moving the third reading of the Submarine Telegraph Bill 1996 in the Legislative Council today (Wednesday):

Mr President,

The Submarine Telegraph Bill 1996 has passed through Committee without amendment. I move that this Bill be read the third time and do pass.

End

Railways Bill

* * * * *

Following is the speech by the Secretary for Transport, Mr Gordon Siu, in moving the second reading of the Railways Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the Railways Bill be read the second time. This Bill is new legislation designed to support in general the implementation of railway projects.

The Railway Development Strategy formulated in 1994 accorded high priority to three railway projects for implementation. One of the three projects, the Western Corridor Railway, will be one of Hong Kong's largest heavy rail projects. The sheer length of the railway means that many private lots will be affected and large scale land resumption will have to be undertaken.

In the course of studying the feasibility of the project, we have also examined a number of our existing ordinances which have land resumption provisions and found that none are entirely adequate on its own for the implementation of railway projects. It was decided that new legislation should be drafted to take forward the new projects.

A suitable legal framework would need to contain provisions for the preparation and publication of plans, objections, payment of compensation to persons whose interests are affected, reclamation of land, resumption of land or strata, creation of temporary and permanent easements and wayleaves.

The Railway Bill is modelled mainly on the Roads (Works, Use and Compensation) Ordinance. The improvements are based on past experience and are to speed up the land resumption process without compromising the rights of affected parties.

While there are basic differences between roads and railways, the Roads Ordinance contain many of the provisions that are required for the implementation of railway projects. In particular, the existing land resumption procedures and compensation matters under the Roads Ordinance have been in use for almost two decades and the system is tried and trusted.

The Railway Bill consists of five Parts. Part I deals with preliminary matters. Part II provides for the preparation of a railway scheme, its publication, objections, the power to amend the scheme and make corrections, minor works, resumption, easements and other rights, the effect on utility services and related issues. Part III addresses the right to compensation and claims procedure. A Schedule supplements with specific provisions on compensation procedure. Part IV gives jurisdiction to the Lands Tribunal to assess and award compensation and Part V covers a number of miscellaneous issues.

It is our intention that the Railways Bill will apply to all future railway projects including those to be constructed by the Mass Transit Railway Corporation. As such, the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Cap 276) should be repealed following the enactment of the Railways Bill. However, in order not to delay the progress of the Quarry Bay Congestion Relief Works which is urgently needed to relieve congestion and improve safety at the Quarry Bay Station, we intend to proceed with this project under Cap 276. It should be noted that the scale of land resumption involved in the Quarry Bay Congestion Relief Works is relatively small.

Mr President, the early enactment of the Railways Bill is essential for the Western Corridor Railway project. While certain planning work could be undertaken prior to the enactment, the alignment cannot be finalised until all the required preparatory works are completed. Such works include site inspections and surveys of private properties which KCRC is not currently empowered to enter. Even more important, the new legislation has to be in place before the railway scheme could be gazetted. It is therefore our aim to have the Bill enacted in the early part of 1997 to enable the timely implementation of this project.

Thank you, Mr President.

End

Official Secrets Bill

* * * * *

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

Mr President,

I move the Second Reading of the Official Secrets Bill.

This Bill localises the provisions of the UK Official Secrets Acts currently applying to Hong Kong. These Acts will lapse on 1 July 1997; we thus need to introduce local legislation to replace them.

The Bill deals with two broad categories of offences: espionage, and unlawful disclosure of official information. In drafting the Bill, we have modified various provisions in the Acts to reflect local circumstances. For the unlawful disclosure offences, the Bill covers six key areas of information: security and intelligence, defence, international relations, information obtained in confidence from other states or international organisations, crime, and special investigations under statutory warrants. These areas of information, if disclosed without lawful authority, would cause or be likely to cause substantial harm to the public interest.

There are a number of provisions in the Acts which have not been reproduced in the Bill. These include provisions dealing with matters already covered in other Hong Kong legislation, such as the power of arrest. We have also removed an outdated provision which requires persons in the business of receiving postal packets to register with the Police. We have, in addition, included a new safeguard in the provision requiring a person to give information to the Police about suspected espionage, to ensure that the information he gives cannot be used against him in criminal proceedings.

We have not included from the UK Acts the rebuttable presumption of purpose in relation to espionage, by which a person's guilty purpose is presumed in certain circumstances unless he can prove otherwise. This sort of presumption is out of step with current Hong Kong legislative practice, and there is no merit in retaining it in the localised legislation.

There have been some suggestions that "public interest" and "prior disclosure" defences should be included in the Bill. Such defences, which do not exist in other common law jurisdictions, are not a feature of the existing Acts applying to Hong Kong. As I have mentioned, the Bill specifies six areas of protected information; we believe that, given the nature of the information concerned, any unauthorised disclosure would of itself be likely to harm the public interest. To provide statutorily for a "public interest" defence for disclosing information relating to matters under one of these areas set out in the legislation would be contradictory.

Furthermore, the Official Secrets Bill is a localising Bill, not a law reform exercise. It would thus be inappropriate to include such defences in the Bill. Ultimately, it would be for the courts to decide whether an offence has been committed under the Bill and, if so, what penalties might be appropriate in all the circumstances.

Evidence of prior disclosure will be relevant in deciding whether a particular disclosure does, in fact, cause harm of a kind specified in the legislation. Where there has been a prior disclosure it will be open for a defendant to argue that the disclosure, which is the subject of the prosecution, has done no further harm. This may not always be the case, however, as there may be circumstances in which the timing and placing of a fresh disclosure may cause harm which an earlier disclosure had not. That is why the Bill leaves the matter of prior disclosure to the courts to decide, rather than creating a blanket defence.

We have consulted the Chinese side, through the Sino-British Joint Liaison Group, on our proposals to localise the Official Secrets Acts. The Chinese side have agreed that the localising legislation should proceed.

Thank you, Mr President.

End

Government Rent (Assessment and Collection) Bill

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Following is the speech by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in moving the second reading of the Government Rent (Assessment and Collection) Bill in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Government Rent (Assessment and Collection) Bill.

The Bill does not introduce a new Government policy. Its main purpose is to implement Annex III to the Sino-British Joint Declaration (JD). The requirement to pay new Government rents was publicised when the JD was signed, and subsequently made known to property owners when their non-renewable leases were renewed, or when they were granted new leases. These leases include those in the New Territories (including New Kowloon), which would expire on 27 June 1997 had they not been extended to 30 June 2047 under the New Territories Leases (Extension) Ordinance, and those special purpose leases which the Government has granted or extended with a provision requiring the payment of ground rent on similar terms. It should be noted that no premium is charged upon the extension of the leases concerned.

The new Government rents to be charged are equivalent to 3 per cent of the rateable value of the land leased. In other words, they amount to approximately half of the rates currently being paid by property owners. Most of these Government rents will be payable only after 27 June 1997. We estimate about 950,000 properties will be affected. Out of these properties, approximately 60% are small residential flats (up to 70 square metre saleable area) for which the rents payable should generally be less than \$200 per month. 6% are medium sized residential flats (70 square metre - 100 square metre) for which the average rent will be around \$500 per month and 4% are large residential flats (100 square metre and over) for which the rent would average around \$1,200 per month.

Certain properties will not have to pay the new Government rents. These are Housing Authority rented flats constructed on land vested in the Housing Authority; most properties on Hong Kong Island and Kowloon (south of Boundary Street); certain rural properties owned by indigenous villagers and tsos and tongs; and very low value properties such as small agricultural lots and ruined houses.

Mr President, this Council may wish to note that since the entry into force of the JD in May 1985, those non-renewable leases and those special purpose leases in the urban area that have been extended are already paying the new Government rents under the provisions in their lease documents. Most of the properties which will be required to pay the new Government rents are those whose leases will be extended to 30 June 2047 under the New Territories Leases (Extension) Ordinance. Although that Ordinance provides for the power to make regulations to govern the assessment and collection of the new Government rents, it only applies to leases in the New Territories and New Kowloon. It is therefore necessary to introduce new legislation to embrace all the affected leases. Indeed, from an administrative point of view, it is essential to adopt a uniform and standardised approach in assessing and collecting all the new Government rents.

The Bill is modelled largely after the Rating Ordinance. It seeks to codify and standardise the method of assessment, collection and payment of the new Government rents. Like rates, the new Government rents will be assessed on a tenement basis.

Under the Bill, landowners are primarily responsible for the payment of the new Government rents as lessees, but, for practical reasons, the Government has the power to demand the new Government rents from the ratepayer who, in most cases, is also the lessee. Where the ratepayer is not the lessee, the sum so paid shall be a debt due to the ratepayer by the lessee unless there is prior agreement otherwise.

The Commissioner of Rating and Valuation will assess and update the rateable value of the land leased in the same manner as provided for under the Rating Ordinance. Specific provisions have been incorporated for the assessment of the rateable values of those properties which are not liable for assessment to rates, e.g. agricultural land and land not yet developed or under redevelopment.

The Commissioner will prepare a Government Rent Roll, containing the address or description of tenements subject to payment of the new Government rents, and the rateable value of such tenements. The rateable values in the Government Rent Roll will be reviewed and updated in the same manner, and at the same frequency, as the Valuation List under the Rating Ordinance. The Government Rent Roll will be available for public inspection. The Commissioner will also be responsible for collecting the new Government rents. As in the case of rates, late payment of the new Government rents will be subject to surcharge.

The Bill provides for an appeal mechanism. Where the entries of tenements are not identical in the Government Rent Roll and the Valuation List, proposals to alter the Government Rent Roll can be made under the Bill in July, August and September 1997 for the first Government Rent Roll, and in April and May each year for subsequent Government Rent Rolls. However, where the entries of tenements are identical, any proposal, objection or appeal against the rateable value shall be made under the Rating Ordinance only, and any consequential change to the rateable value will be made in both the Government Rent Roll and the Valuation List. A person who is aggrieved by the Commissioner's decision on his proposal, objection or appeal may appeal to the Lands Tribunal.

Similarly, an indigenous villager or a tso or tong aggrieved by the need to pay the new Government rents in respect of a rural holding may appeal to the Director of Lands. Where he is aggrieved by the decision of the Director, he may appeal to the Lands Tribunal.

Mr President, we would be grateful if Honourable Members would give priority to the scrutiny of the Bill with a view to enacting it as soon as possible. It is important that we have the legislative framework for the collection of the new Government rents in place well before the lessees concerned will need to pay them. Early enactment of the Bill will enable other related and very necessary actions to be taken before June 1997. These include bringing into force the regulations required, preparing the Government Rent Roll, arranging publicity on the assessment procedures and rent collection before the first batch of demand notes are issued, and fine-tuning the computer system for the billing and collection of the new Government rents. We envisage the above actions will need a few months to complete.

Thank you, Mr President.

End

Provision of official residence

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Following is a question by the Hon Eric Li Ka-cheung and a reply by the Secretary for the Civil Service, Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- a) Whether any specific guidelines have been formulated and, if so, by which public officer and when, regarding the provision of official residence for public officers, and whether, in determining the provision of official residence for public officers, consideration has been given to the constitutional status, authority and job nature of these public officers as well as the existing facilities available for their use; and
- b) Whether the Government will conduct reviews regularly in order to determine if the provision of official residence will be extended to other public officers of equal status to those who are presently provided with official residence; if not, why not?

Reply:

Mr President,

Official residences are only provided to top officials in the Government, taking into account their status in the Government hierarchy and such relevant factors as representational obligations, authority and nature of job. Provision of official residence is made on a highly selective basis as it includes free utilities (water, gas and electricity), non-accountable entertainment allowance and provision of domestic servants. Each application is considered on its individual merits.

In approving the designation of an official residence, it is necessary to consult the Standing Commission on Directorate Salaries and Conditions of Service before a submission is made to the Finance Committee for approval of the financial implications.

We are satisfied that the present number of official residences is adequate in respect to the existing government hierarchy. The small number of such residences and the very critical scrutiny given to any proposals to create a new residence means that this is not a subject amenable to review.

End

Disputes between main contractors and subcontractors

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Following is a question by the Hon Ngan Kam-chuen and a reply by the Secretary for Works, Mr Kwong Hon-sang, in the Legislative Council today (Wednesday):

Question:

It is learnt that in July this year, the developer of a construction site in Tai Po terminated the contract with the contractor for alleged delays in the construction work. The contractor subsequently went into liquidation, and the subcontractors were thus unable to reclaim payments on wages and materials amounting to over \$30 million. In this connection, will the Government inform this Council:

- (a) of the channels with which the subcontractor can lodge complaints or claims for compensation if he is in dispute with the contractor or the developer; and
- (b) whether there is any legislation requiring a contractor to notify, within a certain period of time following receipt of a notice of termination of contract from the developer, the subcontractor to cease work?

Answer:

Mr President,

- (a) For a construction project, whether for private or public works, sub-contractors and main contractors negotiate and enter into private contracts between them. Contractual disputes between sub-contractors and the main contractors are private commercial/contractual matters which arise in any form of business and are settled in accordance with the terms of their contracts. These are private matters between the various private parties and Government does not intercede.

The subject matter involves the liquidation of the main contractor, in respect of which the appointed liquidator would apply the relevant statutory provisions of the Companies Ordinance (Cap. 32). Any debts and compensation owed to any of the entitled parties must be taken care of under the rules of the above Ordinance.

- (b) There is no legislation requiring a contractor, following receipt of a notice of termination of contract from the developer, to notify his sub-contractors to cease work. Such matters would normally be dealt with in the contracts between the main contractor and the sub-contractors.

End

Fire rescue measures in tall buildings

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Following is a question by the Hon Chim Pui-chung and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) the total number of fire engines fitted with tower ladders operated by the Fire Services Department (FSD), and the districts in which such fire engines are stationed;
- (b) the maximum height reachable by these tower ladders in high-rise rescue operations; and
- (c) the rescue measures adopted by the FSD in the event of a fire occurring in a building with its height exceeding that mentioned in the answer to (b) above, and whether the FSD will review and strengthen its fire-fighting equipment so as to better equip itself for high-rise rescue operations?

Reply:

Mr President,

- (a) The Fire Services Department (FSD) is equipped with 19 turntable ladders and 3 major snorkels. Of the turntable ladders, 6 are deployed in the Hong Kong Region, 6 in Kowloon and 7 in the New Territories. As regards major snorkels, there is one in Kowloon and two in the New Territories.
- (b) There are two types of turntable ladders. They can reach a maximum height of 50 metres and 37 metres respectively. A major snorkel can reach a maximum height of 30 metres.

- (c) During fire operations, apart from using aerial equipment like turntable ladders to fight the fire externally, the firemen crew will also conduct internal fire suppression and rescue operation inside a building through staircases. The fire service installations in a building, including, for example, fire hoses and sprinkler system, will also be used to extinguish or to limit the fire.

FSD conducts regular review on the provision of fire fighting and rescue facilities, including the adequacy of aerial equipment for fire-fighting in high-rise buildings.

End

Ways to curb illegal activities of TWP holders

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Following is a question by the Hon Yum Sin-ling and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the number of people entering Hong Kong from China on two-way exit permits and the number of such people who have overstayed, in the past twelve months;
- (b) whether the Government will review the penalties for overstayers to ascertain if these penalties have any deterrent effect; if not, why not;
- (c) in view of the fact that some of the two-way permit holders are involved in illegal activities (such as fraud, prostitution, illegal hawking and working a illegal foreign workers), what measures are in place to prevent such people from engaging in these illegal activities during their stay in the territory and to ensure that the offenders will not be able to come to the territory again; and
- (d) whether it has discussed with the Chinese Government the problem of two-way permit holders committing crimes in the territory; if so, whether a consensus has been reached with the Chinese authorities for combating such activities?

Reply:

Mr President,

- (a) From 1 December 1995 to 30 November 1996, 298,775 Two-way Permit holders came to Hong Kong. During the same period, 28,636 Two-way Permit holders were found to have overstayed. Compared with the figures for the same period for the previous year, the percentage of overstayers has decreased from 15% to 9%.
- (b) Any persons, including the Two-way Permit holders, who have breached their condition of stay in Hong Kong, will be charged for breach of condition of stay under Section 41 of the Immigration Ordinance (Cap.115). In January 1996, a legislative amendment was introduced to increase the maximum fine for breach of condition of stay by ten times from \$5,000 to \$50,000. After the revision, the usual fines imposed by the Courts on Two-way Permit overstayers have increased considerably from the former range of \$500 - \$1,000 to the current range of \$1,500 - \$2,000, with about 4% of the convicted overstayers fined \$5,000 - \$10,000. The decrease in number of Two-way Permit overstayers from a monthly average of 3,188 in 1995 to 2,345 in 1996 indicates that the increased fines coupled with the stepping up of enforcement measures are effective deterrents.

The Administration will keep its immigration policy under constant review, but we do not have any plan to revise the penalties for overstaying at present.

- (c) Any persons who are found to have committed an offence in Hong Kong will be apprehended and charged under the relevant provisions of the laws of Hong Kong.

In addition to the normal law enforcement measures taken by the Police and other departments, the following actions have been taken -

- (i) Regular and frequent raids and prosecution actions against Two-way Permit illegal workers and their employers have been launched. In the first eleven months of 1996, 1,523 anti-illegal worker operations were conducted. As a result, 2,191 Two-way Permit illegal workers and 778 employers hiring them were arrested. 2,066 of the Two-way Permit illegal workers and 329 employers were subsequently prosecuted.

- (ii) A territory-wide publicity campaign against illegal employment was launched. Posters and APIs were prepared to send out a clear message to employers not to employ illegal workers.
 - (iii) Since March 1996, information leaflets were distributed to Two-way Permit holders at immigration control points to alert them to the fact that it is an offence for them to take up employment, to establish or join in any business, to study or overstay, and that they would be prosecuted and repatriated if they commit any immigration offence.
 - (iv) With effect from January 1996, the maximum fines have been increased from \$5,000 to \$50,000 for any person taking up illegal employment, and, for employers of such illegal workers, from \$250,000 to \$350,000.
 - (v) Immigration Department will include the details of blatant offenders, whether of PRC origin or otherwise, in a stop-list to prevent them from coming to Hong Kong again.
- (d) Close and regular liaison is maintained with the Chinese authorities with a view to curbing illegal activities and abuses of the Two-way Permit system.

The liaison between the Police and the PRC law-enforcement agencies is done at both bilateral meetings and in the course of routine liaison through Interpol.

The Immigration Department and the relevant PRC authorities also exchange information on a regular basis. Information concerning blatant overstayers from China has also been passed to the Chinese side for their follow-up actions. The response from the Chinese authorities has been very positive. This is evidenced by their ready assistance to verify doubtful identities, confirmation of acceptance of persons to be repatriated, tightened control at their control points, and so on. We also understand that they have tightened up the issue of Two-way Permits to blatant offenders.

End

Shelters at taxi stands

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

Question:

It is learned that most taxi stands are without shelters except those located at large shopping centres. Given that a considerable number of bus stops are already provided with shelters, will the Government inform this Council whether it will consider providing shelters at those taxi stands where the construction of such shelters is feasible, for the benefit of passengers queuing up for taxis; if so, of the number of taxi stands where the provision of shelters is intended; the expected commencement and completion dates of the projects concerned and the criteria adopted for determining the priority of the construction of shelters at taxi stands?

Reply:

Mr President,

Covered shelters are provided for taxi passengers at many major public transport interchanges and commercial developments where taxi stands are located. For example, the taxi stands at the Edinburgh Place Ferry Concourse, Tsim Sha Tsui Ferry Concourse, Macau Ferry Terminal and Kai Tak Airport are all under cover. In the New Territories, covered taxi stands are also available at major transport interchanges and commercial complexes in Sha Tin, Fanling, Sheung Shui, Kwai Fong, Tsuen Wan and Tuen Mun. Covered taxi stands will also be provided at future transport interchanges such as those at the new airport and new MTR stations along the Airport Railway. We will also take the opportunity to provide cover for existing taxi stands under transport terminus modification projects, for instance, at Fu Heng Estate in Tai Po. In addition, some taxi stand shelters have been funded by District Boards. Many road side taxi stands, particularly those in the urban area, are already protected by buildings, where purpose-built shelters are neither feasible nor necessary. The need for cover is more urgently felt at taxi stands which are exposed and heavily utilized. A number of these stands are in the New Territories. We are drawing up a list of such locations, in order of priority, and preparing a programme for implementation.

End

Manpower of KCRC - West Rail Division

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

Question:

It is learnt that the Managing Board of Kowloon-Canton Railway Corporation (KCRC) has endorsed the plan to reduce 50% of the staff of its West Rail Division (WRD), and that only about a dozen out of the one hundred or so employees retained are local staff. However, despite this reduction, the monthly expenditure of the WRD still comes to about \$20,000,000. This has given rise to public concern about whether the number of expatriate staff and the monthly expenditure of the WRD are still on the high side. In this connection, does the Government know:

- (a) having regard to the fact that only about a dozen local employees of the WRD are retained, whether there is any impact on the Division in the long term in such areas as technology transfer, localisation and communication with the Chinese side; if so, what the remedial measures are;
- (b) whether the monthly expenditure of the WRD is spent entirely on monitoring consultancy contracts which amount to an average monthly cost of about \$20,000,000; if so, of the reasons for this 1:1 ratio of supervision fees which differs from the normal ratio of 1:5;
- (c) if the answer to (b) is in the negative, whether part of the monthly expenditure is spent on commissioning the study on Phase II projects; if so,
 - (i) of the respective percentages of the amounts spent on monitoring consultancy contracts and commissioning the study on Phase II projects; and
 - (ii) whether it is appropriate to commence the study on Phase II projects at the present stage?

Reply:

Mr President,

At its meeting on 18 November 1996, the Managing Board of the Kowloon-Canton Railway Corporation (KCRC) decided to downsize the West Rail Division from 267 to 110 professional staff and 25 clerical and administrative staff members, and consequently the monthly expenditure of the West Rail Division will be cut by about half. This reduced monthly expenditure is dedicated mainly towards managing the Phase I technical studies, which are urgently needed to firm up the alignment and establish the land requirement of the Western Corridor Railway (WCR) project.

There are currently 10 KCRC staff members on the project team. Seven of them are Hong Kong permanent residents, while the remaining three are expatriates who have been working in Hong Kong for at least 7 years. All ten will remain on the down-sized team. The remaining 100 professional staff members will continue to be filled by consultant staff. In the longer term, KCRC envisage a progressive build up of their staff as planning for the project advances. KCRC are now in the process of increasing the proportion of KCRC staff on the team through internal transfer and external recruitment.

As regards the specific points raised:

- (a) The relatively small number of KCRC staff at present is not a permanent arrangement. As indicated above, KCRC are in the process of progressively replacing consultant staff with their own staff. Such an approach should ensure a smooth transfer and retention of experience within the Corporation. As regards KCRC's recruitment policy, the main criterion is to get the right person for the job. Localisation is an important factor as the Corporation advertise overseas if and only if no suitable local candidates can be found.
- (b) As will be seen from paragraph 1 above, the monthly expenditure of the West Rail Division is incurred mainly for work relating to the Phase I technical studies. We are not aware of the ratio referred to by the Honourable Member; and
- (c) There is no current spending on Phase II technical studies. However, in the light of Government's decision last week to construct the domestic passenger line of the WCR project first, there will be a need, in the months ahead, to move on to those parts of the Phase II technical studies which are necessary for the detailed design of this domestic passenger service. This will be the subject of further discussions between Government and the KCRC when the new Chairman of the Corporation is in post.

End

Contract for MTRC refurbishing train cars

* * * * *

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

Question:

It is learnt that the Mass Transit Railway Corporation will spend more than a billion dollars to refurbish some 700 of its train cars. In this connection, does the Government know -

- (a) whether the contract for this project will be awarded through open tender; if so, when the tendering exercise will be conducted; and
- (b) of any specific measures in place to ensure that this project is cost-effective and will not lead to fare increases in the future?

Reply:

Mr President,

The Mass Transit Railway Corporation intends to award a contract for this project through public tender. The Corporation is now preparing the tender documents and expects to issue them early next year to a number of international companies which have been assessed and qualified as being suitable to carry out this project. The contract will be awarded in the last quarter of 1997. The target completion date for the whole project is 2001.

The costs and benefits of the project have been rigorously scrutinized by the Corporation and the capital expenditure required has been included in the Corporation's long-term financial forecasts. Since the capital expenditure will be spread over many years, it will not have any direct impact on fares.

End

Codes of conduct of SFC and Stock Exchange Hong Kong Limited

Following is a question by the Hon Chim Pui-chung and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Does the Government know:

- (a) of the respective dates of the introduction of rules and codes of conduct by the Securities and Futures Commission and the Stock Exchange of Hong Kong Limited, which spell out clearly the principles and practices which registered stock brokers or their staff should follow when dealing in transactions either for their own accounts or for their clients;
- (b) whether, prior to the introduction of the above rules and codes of conduct, it was beyond the power of the authorities concerned to intervene in the way in which registered stock brokers or their staff handled their own transactions or those made on behalf of their clients; and
- (c) whether the Financial Secretary or the Secretary for Financial Services has the authority to ensure there is check and balance in the application of the existing rules and codes of conduct; if not, why not?

Answer:

- (a) The Securities and Futures Commission (SFC) issued a Code of Conduct for persons registered with the Securities and Futures Commission in February 1994.

In addition, in 1986, the Stock Exchange of Hong Kong Limited (SEHK) promulgated the Exchange Rules and Regulations. In November 1993, the SEHK further issued a Code of Conduct Regulations which specifically expanded on the conduct requirements of the Exchange Rules and Regulations in compliance with the principles set out by the International Organisation of Securities Commissions.

Together, they set out the principles and practices which registered stock brokers and their staff should follow when dealing in transactions either for their own accounts or for their clients.

- (b) Under the Securities and Futures Commission Ordinance, the SFC is responsible for supervising and monitoring the activities of the SEHK; to take all reasonable steps to safeguard the interest of persons dealing in securities; to promote and encourage proper conduct amongst members of the SEHK; to suppress illegal, dishonourable and improper practices in dealing in securities; and to promote and maintain the integrity of registered persons.

These legislative requirements, either taken alone or together with the SFC's Code of Conduct, form the basis upon which the SFC carries out its surveillance and enforcement activities.

Separately, the Stock Exchanges Unification Ordinance requires the SEHK to ensure an orderly and fair market in securities trading through the facilities of the SEHK and to act in the interests of the public, having particular regard to the interests of the investing public. Since its inception, the SEHK has been monitoring the activities of its members and their employees in accordance with the obligations and powers stipulated in its Memorandum and Articles of Association, which provide that the SEHK should, inter alia, promote and protect the interests of all members of the public having dealings on the SEHK or with its members; make, amend and repeal rules and by-laws affecting the conduct of its members; and establish committees for the interpretation and enforcement of any such rules, by-laws and the requirements under the Stock Exchanges Unification Ordinance. In pursuit of these objects, the SEHK has made the Rules and Regulations referred to in Part (a) of this reply.

As the front-line regulator of the securities market, the SEHK has a duty to monitor compliance by its members and their staff of the Rules and Regulations and to ensure that they would deal with clients honestly and fairly, give clients priority in all trading and disclose fully to clients information relevant to dealing in securities for or on behalf of clients.

It is therefore the considered view of the Administration that there is no question of the SFC and the SEHK acting beyond their authorities in monitoring the registered persons or their members' dealing activities and in taking the necessary enforcement action to safeguard the interests of the investing public prior to the introduction of the relevant rules and codes of conduct.

- (c) Any amendment to the Memorandum and Articles of Association, or to the Rules and Regulations of the SEHK proposed by the SEHK Council are subject to the approval of the SFC as set out in these documents and the Stock Exchanges Unification Ordinance.

The SFC in turn is subject to checks and balance stipulated in the law and under common law. For example, under the Securities and Futures Commission Ordinance (Cap. 24), the SFC is required to consult the Financial Secretary before exercising certain powers under the Ordinance, and under the same Ordinance, the Governor may give to the SFC such directions in writing as regards the performance of any of its functions as he considers appropriate, and the SFC must comply with any such direction. The SFC's disciplinary powers to suspend or revoke a registration is also subject to appeal to the SFC Appeals Tribunal, an independent body appointed by the Governor; and the common law requires due process and reasonable exercise of the SFC's authorities. Failure to do so would expose the SFC to a judicial review.

End

Directorate succession well planned

* * * * *

Following is a question by the Hon Cheung Man-kwong and a written reply by the Secretary for the Civil Service Mr W K Lam, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the numbers of serving directorate staff in the civil service who have opted for the new Pension Scheme and the old Pension Scheme respectively, together with the names and ages of those directorate staff who have opted for the old Pension Scheme as well as the policy branches or departments in which they are now serving; and
- (b) how the authority concerned works out the succession plans in those departments with a relatively large number of directorate staff reaching the age at which they can opt to retire, so as to avoid a succession gap caused by staff wastage?

Answer:

Mr President,

- (a) The age profile of the 1 379 directorate officers (as at 1 October 1996) in the civil service and the pension scheme options of those on permanent and pensionable terms are as follows -

age Pension Schemes	below 40	40 -44	above 45 -49	50 -54	54	Total
New Pension Scheme (NPS)	87	146	263	216	198	910
Old Pension Scheme (OPS)	6	16	118	117	15 (20%)	272
Agreement Terms	16	30	65	53	33	197
Total	109 (8%)	192 (14%)	446 (32%)	386 (28%)	246 (18%)	1379 (100%)

Since which pension scheme an officer has opted for is a matter of an individual's privacy, it would be inappropriate to provide Members with a name list of directorate officers and their pension scheme options and ages.

- (b) The Administration has a long established mechanism for planning directorate succession in each department. The overall objective is to ensure smooth succession and to identify and groom younger officers in departments for higher responsibilities. Directorate succession plans are reviewed and updated at half-yearly intervals to identify possible and suitable successors to directorate posts and to discuss training and other career development needs for senior officers.

As part of this process, we consider carefully those departments which may have a relatively larger proportion of directorate officers approaching their retirement age. These include Education Department, Social Welfare Department, Information Services Department and the Royal Hong Kong Police Force. Retirement of officers is a natural process and offers the chance of renewal. Through proper planning, we have worked together with the Heads of Departments and have developed a pool of candidates suitable for directorate positions. The age profile and experience level of professional officers in these departments, and our succession reviews, indicate that there are suitable officers ready to rise up the directorate ranks to fill vacancies that might arise.

End

Figures on Supplementary Labour Scheme

* * * * *

Following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for Education and Manpower, Mr Joseph W P Wong, in the Legislative Council today (Wednesday):

Question:

Regarding the Supplementary Labour Scheme, will the Government inform this Council of :

- (a) the total number of applications for the importation of foreign workers which have been approved, as well as the total number of workers involved, since the implementation of the Scheme in February this year; and
- (b) the total number of foreign workers who have already entered the territory to work under the Scheme during the same period, together with a breakdown of such workers by industry, type of work and post?

Reply :

- (a) As at 17 December 1996, we have approved 378 applications for a total of 1,948 workers under the Supplementary Labour Scheme.

- (b) As at 17 December 1996, for the 1,948 workers approved under the Supplementary Labour Scheme, 783 visa applications have been received. Of the 783 applications, 169 have been approved and 552 are under processing. 101 workers (with approved visas) have entered Hong Kong for employment.

A breakdown of the 101 workers by industry is as follows:

<u>Industry</u>	<u>No. of workers</u>
Construction	87
Wholesale, Retail and Import/Export	5
Manufacturing	4
Agriculture and Fishing	3
Catering	2
	<hr/>
	Total : 101

The breakdown by job title is as follows:

<u>Job Title</u>	<u>No. of workers</u>
Driller	44
Mechanical Engineering Technician	12
Foreman	11
Electrician	10
Plant and Equipment Operator	8
Gardening Worker	3
Stock Supervisor	2
Captain	2
Production Technician	2
Electric Arc and Gas Welder	2
Plant Mechanics	1
Precast Erection Operator	1
Paper Joss Stick Craftsman	1
Merchandiser	1
Machine Operator	1
	<hr/>
	Total : 101

End

Unemployment statistics

* * * * *

Following is a question by the Hon Cheng Yiu-tong and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

Regarding the statistics on unemployment, will the Government inform this Council of the following in each of the past five years:

- (a) the median duration of unemployment;
- (b) the respective quarterly proportions of the unemployed in the following industries, who were unemployed due to dismissal or lay-off or who left employment because of dissatisfaction with their jobs, to the total number of unemployed persons :
 - (i) manufacturing,
 - (ii) wholesale, retail, import and export trade,
 - (iii) catering,
 - (iv) hotels; and
- (c) the quarterly proportion of unemployed persons believed to have no chance of finding employment to the total number of unemployed persons?

Reply:

- (a) Statistics on the median duration of unemployment for each of the past five years from 1991 to 1995 and for the third quarter of 1996 are given below:

Median duration of unemployment(days)

1991	54
1992	60
1993	66
1994	70
1995	77
1996 Q3	66

These statistics indicate that the median duration of unemployment had lengthened to 77 days in 1995 when the unemployment rate showed a marked rise. But as labour market conditions improved thereafter, the median duration of unemployment also fell, to 66 days by the third quarter of 1996, a level which was broadly the same as in 1993.

- (b) Breakdowns of the unemployed in the manufacturing sector by the reason of leaving their last job are provided in Table 1, and for the wholesale, retail, import/export trades, restaurants and hotels sector in Table 2.

Further breakdowns into the wholesale, retail and import/import trades sub-sector, and into the restaurants and hotels sub-sectors are however not available, as such breakdowns are subject to relatively large sampling errors.

In 1995, the proportion of dismissals/lay-offs in the manufacturing sector averaged at around 72%, and the proportion of the unemployed due to dissatisfaction with the job was around 22%. For the wholesale, retail and import/export trades, restaurants and hotels sector taken together, the proportion of dismissals/lay-offs was lower, at around 42%, while the proportion of the unemployed due to dissatisfaction with the job was higher, at around 46%.

- (c) Statistics gathered from the General Household Survey (GHS) on the proportion of discouraged workers, i.e. those unemployed persons who believe to have no chance of finding employment, are given in Table 3. Quarterly figures are subject to larger sampling errors and hence only the annual figures are presented here.

The total number of discouraged workers averaged at 1,900 in 1995, representing around 2% of the total number unemployed.

In the GHS, discouraged workers are defined as those unemployed persons who are available for work but have not sought work because they believe work is not available to them. The definition and coverage used in this regard follow closely the guidelines and recommendations of the International Labour Organisation. Currently, the GHS is based on a scientifically selected sample of some 27,000 living quarters covering around 80,000 persons in each quarter.

Table 1 Unemployed persons with a previous job in the manufacturing industry by mode of leaving last job
表一 按離職方式劃分以前曾從事製造業的失業人數

Year 年份	Quarter 季度	Mode of leaving last job 離職方式						Total 總計
		Leaving job on own accord 主動離職						
		Dismissed or laid off 遭解僱或遣散		Dissatisfied with job 對工作不滿		Others * 其他 *		
		No. 人數	% 百分比	No. 人數	% 百分比	No. 人數	% 百分比	
1991	1st Quarter (第一季)	6 300	47.7	5 500	42.0	1 400	10.2	13 200
	2nd Quarter (第二季)	7 400	47.1	6 200	39.2	2 200	13.7	15 800
	3rd Quarter (第三季)	4 600	34.8	6 000	45.7	2 600	19.6	13 200
	4th Quarter (第四季)	4 500	39.7	5 500	48.7	1 300	11.5	11 400
1992	1st Quarter (第一季)	9 400	55.3	5 800	34.2	1 800	10.5	17 000
	2nd Quarter (第二季)	8 000	44.7	7 200	39.8	2 800	15.4	18 000
	3rd Quarter (第三季)	6 400	45.8	5 100	36.5	2 500	17.7	13 900
	4th Quarter (第四季)	8 600	57.4	4 300	28.7	2 100	13.9	15 000
1993	1st Quarter (第一季)	11 900	72.1	3 600	21.8	1 000	6.1	16 500
	2nd Quarter (第二季)	8 300	58.8	4 600	32.6	1 200	8.5	14 000
	3rd Quarter (第三季)	9 500	64.8	3 700	25.0	1 500	10.2	14 700
	4th Quarter (第四季)	7 500	53.3	3 600	25.9	2 900	20.7	14 100
1994	1st Quarter (第一季)	9 200	61.2	3 200	21.2	2 600	17.6	15 000
	2nd Quarter (第二季)	6 700	48.3	4 500	32.4	2 700	19.2	13 800
	3rd Quarter (第三季)	8 500	56.0	4 400	29.3	2 200	14.6	15 200
	4th Quarter (第四季)	10 500	70.4	3 500	23.3	900	6.3	14 900
1995	1st Quarter (第一季)	14 200	68.4	5 800	28.1	700	3.6	20 700
	2nd Quarter (第二季)	12 700	62.3	5 600	27.4	2 100	10.3	20 400
	3rd Quarter (第三季)	21 100	75.4	5 600	20.1	1 200	4.4	27 900
	4th Quarter (第四季)	19 000	78.2	3 700	15.1	1 600	6.6	24 300

Notes : * Including those leaving the previous job because of illness, going to school and personal business.

Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the above table.

註釋：* 包括因患病、上學和私人事務而離職的人士。

由於進位關係，統計表內個別項目加起來可能與總數略有出入。

Table 2 Unemployed persons with a previous job in the wholesale, retail and import/export trades, restaurants and hotels sector by mode of leaving last job

表二 按離職方式劃分以前曾從事批發、零售、進出口貿易、飲食及酒店業的失業人數

Year 年份	Quarter 季度	Mode of leaving last job 離職方式						Total 總計
		Leaving job on own accord 主動離職						
		Dismissed or laid off 遭解僱或遣散		Dissatisfied with job 對工作不滿		Others * 其他 *		
		No. 人數	% 百分比	No. 人數	% 百分比	No. 人數	% 百分比	
1991	1st Quarter (第一季)	2 700	23.1	7 900	67.9	1 100	9.0	11 700
	2nd Quarter (第二季)	3 600	21.7	10 700	65.1	2 200	13.2	16 400
	3rd Quarter (第三季)	3 400	22.6	9 100	60.4	2 600	17.0	15 200
	4th Quarter (第四季)	3 200	23.4	8 400	61.7	2 000	14.9	13 700
1992	1st Quarter (第一季)	3 700	24.8	9 500	63.4	1 800	11.9	15 000
	2nd Quarter (第二季)	2 500	15.7	10 800	68.5	2 500	15.7	15 800
	3rd Quarter (第三季)	2 000	15.4	8 700	65.9	2 500	18.7	13 200
	4th Quarter (第四季)	3 900	27.7	6 800	48.9	3 300	23.4	13 900
1993	1st Quarter (第一季)	4 500	26.1	11 000	63.7	1 800	10.3	17 200
	2nd Quarter (第二季)	3 400	20.1	11 600	67.8	2 100	12.1	17 100
	3rd Quarter (第三季)	5 100	35.0	7 300	50.6	2 100	14.4	14 500
	4th Quarter (第四季)	3 800	27.7	9 000	65.5	900	6.8	13 700
1994	1st Quarter (第一季)	4 100	26.2	9 000	58.3	2 400	15.5	15 500
	2nd Quarter (第二季)	5 100	34.4	7 500	50.5	2 200	15.1	14 800
	3rd Quarter (第三季)	6 200	30.1	12 100	58.3	2 400	11.6	20 700
	4th Quarter (第四季)	4 900	34.9	8 000	57.5	1 100	7.6	14 000
1995	1st Quarter (第一季)	6 800	32.4	11 300	54.0	2 800	13.6	21 000
	2nd Quarter (第二季)	9 900	38.6	12 500	48.7	3 300	12.7	25 600
	3rd Quarter (第三季)	12 000	44.4	12 800	47.4	2 200	8.2	27 000
	4th Quarter (第四季)	14 600	47.8	10 800	35.4	5 200	16.8	30 600

Notes : * Including those leaving the previous job because of illness, going to school and personal business.

Owing to rounding, there may be a slight discrepancy between the sum of individual items and the total as shown in the above table.

註釋：* 包括因患病，上學和私人事務而離職的人士。

由於進位關係，統計表內個別項目加起來可能與總數略有出入。

Table 3 Discouraged workers
表三 因灰心而不再求職的失業人數

Year 年份	Number 人數	As a % of total unemployed persons 佔總失業人數的百分比
1991	1 500	3.0
1992	1 300	2.4
1993	1 300	2.3
1994	900	1.6
1995	1 900	2.0
End		

Substantial land zoned for port back up and open storage uses

* * * * *

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

Question:

It is learnt that over 100 trucks and private cars recently took part in a slow-drive protest against the Government's failure to provide sufficient land for parking container trucks and storing containers and for use as scrap-yards. In this connection, will the Government inform this Council:

- (a) of the current total provision of land in the territory for the above purposes and whether any assessment has been made regarding the demand for land for such uses;
- (b) of the proportion of agricultural land in the New Territories being used as unauthorised car parks;
- (c) of the number of prosecutions over the past three years in respect of the unauthorised use of agricultural land in the New Territories as car parks; and
- (d) whether consideration will be given to extending to five years the term for short-term modification of land use in the New Territories?

Answer:

Mr President,

- (a) 356 hectares of land have been zoned on statutory plans for port back up and open storage uses. This is substantially more than the 243 hectares of land zoned for such uses in 1990. In addition, 192 hectares of land zoned "Industrial" or "Industrial (Group D)" on statutory plans can be used for vehicle-related trade such as vehicle repair workshops and industrial developments with provision of floorspace for such uses. We are monitoring the demand for land for such uses as an on-going exercise.
- (b) We estimate that about 36 hectares of land in the rural New Territories is being used as unauthorised container trailer parks.

- (c) Over the past three years, the owners of nine unauthorised container trailer parks have been prosecuted. Apart from prosecution, warning letters and enforcement notices are also issued as a means to stop unauthorised land uses.
- (d) The time limit for temporary planning permission to be granted by the Town Planning Board is stated in the Notes attached to an Outline Zoning Plan. Applications for extension of the time limit can be submitted to the Town Planning Board, which will consider each case on its individual merits.

End

Transitional issues to be resolved by JLG

* * * * *

Following are a question by the Hon Henry Tang Ying-yen and a written reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

In view of the Government's decision to legislate on offences involving subversion and secession, will the Government inform this Council whether there are major transition issues now under consideration by the Joint Liaison Group over which the Chinese side and the British side have serious disagreement, which may lead again to the Hong Kong Government enacting laws on such issues?

Reply:

The main transitional issues that remain to be resolved by the Joint Liaison Group include :

- (a) right of abode and related immigration issues;
- (b) transfer of defence responsibilities;
- (c) other transfer of government issues;
- (d) localisation of laws;
- (e) adaptation of laws
- (f) international rights and obligations;
- (g) the programme of bilateral agreements;
- (h) air services agreements (ASAs);
- (i) the two United Nations human rights covenants; and
- (j) legal and procedural arrangements between Hong Kong and mainland China in civil and commercial matters.

Many of these issues are of a legal or technical nature. While good progress is being made, there is still a lot of ground to cover. We are actively engaging the Chinese side and we have every intention to continue to do so. Where legislation is needed before 1 July 1997 to implement a JLG agreement, we will always strive to reach agreement with the Chinese before introducing the legislation.

It is therefore very much the Hong Kong Government's intention to complete the work on the Joint Liaison Group agenda before 1 July 1997. With the Chinese side's cooperation, there is no reason why we cannot achieve that objective.

End

HA mental health hotline service

* * * * *

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:

With regard to the mental health hotline service provided by the Hospital Authority (HA), is the Government aware of :

- (a) the total number of calls for assistance received in the past twelve months;
- (b) the categories of such calls and the ways of handling the calls; and
- (c) what publicity plans does the HA have to enhance the public's awareness of the service?

Reply:

A total of about 900 calls were received by the 24-hour psychiatric hotline provided by the Hospital Authority in the past 12 months. The majority of these calls were related to general information such as the clinical condition of different mental illnesses and their corresponding medical treatment, as well as the availability of mental health services in Hong Kong.

The Hospital Authority has formulated a set of guidelines for the handling of incoming calls to the 24-hour psychiatric hotline. Callers seeking general information are normally advised on the spot. Callers who require other more specific assistance are provided with details about the appropriate service agencies or referred to public hospitals and specialist out-patient clinics for management.

Mental health services currently provided by the Hospital Authority, including the psychiatric hotline, are promoted through territory-wide publicity campaigns such as the Mental Health Month, information pamphlets and periodic broadcasts or announcements of public interest in the electronic media. The Authority will also liaise regularly with the relevant government departments to assess the need for enhancement to its psychiatric services.

End

Housing Department to speed up recruitment process

* * * * *

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

Question:

It is learnt that the Housing Department is facing a severe staff shortage problem, with more than 500 posts remaining vacant despite strenuous efforts made to fill them. In this connection, will the Government inform this Council of:

- (a) the breakdown of the vacancies by grade;
- (b) the causes of a large number of vacancies in the Department; and
- (c) the measures which will be taken by the Department to resolve the staff shortage problem?

Answer:

Mr President,

- (a) As at 1 December 1996, the number of vacancies in the Housing Department was 440, or nearly 3% of total establishment. A breakdown by grades is as follows :

<u>Grades</u>	<u>Number of vacancies</u>
Professional grades	23
Technical and inspectorate grades	184
Housing management grades	74
General grades and other staff	159

Within the next three months, 262 new recruits are expected to report for duty. Assuming no further vacancies arise during this period, the actual number of vacancies will be reduced to 178, or 1.2% of total establishment.

- (b) The vacancies arise from normal turnover of staff. The 3% vacancy rate is within the normal limit, and is not a cause for concern.
- (c) In order to speed up the process of recruitment, the Housing Department will also conduct walk-in or phone-in interviews, and intensify its publicity efforts, such as advertising through the Housing Authority home page of the Internet. Closer contacts with the Local Employment Service of the Labour Department and the Construction Industry Training Authority will also be maintained.

End

Rights and benefits for employees on overseas duty trips

* * * * *

Following is a question by the Hon Leung Yiu-chung and a written reply by the Secretary for Education and Manpower, Mr Joesph W P Wong, in the Legislative Council today (Wednesday):

Question:

At present, many employees recruited locally are often required to work in Mainland China and Southeast Asian countries for long or short periods. However, the employers may not have obtained from the governments of these countries work permits for their employees before requiring them to work in the countries concerned. In this connection, will the Government inform this Council:

- (a) which of the above countries currently require foreign workers to obtain work permits before they are allowed to work in the countries concerned;

- (b) of the current estimated number of locally recruited employees in various trades and industries who are required by their employers to work overseas for long or short periods;
- (c) if the employees are required by their employers to work in the countries mentioned in the answer to (a) above on tourist visas and without work permits and:
 - (i) are consequently prosecuted or detained by the governments concerned; or
 - (ii) met with accidents, fallen ill, sustained injuries or die while at work overseas.

What responsibilities do the employers have for their employees and what protection do such employees get under Hong Kong's employment or other legislation; and

- (d) whether employees can refuse to take up overseas assignments in the countries mentioned in the answer to (a) above if their employers have not obtained the required work permits for them; whether employers are permitted to dismiss their employees for such refusals, and whether employers are liable to prosecution for dismissing the above-mentioned employees who refuse to work overseas?

Reply:

- (a) The Government does not keep a record of the work permit requirements of other countries and regions. However, we believe that, as a general rule, a person who wishes to take up employment in a place outside Hong Kong is required to obtain an appropriate visa before going there. Hong Kong residents should contact the relevant authorities of the country or region concerned for information on the visa requirements.
- (b) The Government does not have any statistics on the number of locally recruited employees who are required by their employers to work outside Hong Kong for any period of time. This is because employers are not required by law or by any administrative rules to report such employment to Government.

- (c) There is no provision in the Employment Ordinance, Cap. 75 ("EO") requiring an employer to obtain a work permit for his employee before assigning him or her to work outside Hong Kong. However, it is advisable for an employer who wishes to send an employee on a work-related trip outside Hong Kong to ascertain the relevant entry requirements of that country, in particular whether or not a work permit is required for his employee. For their own protection, employees should also make similar enquiries to ensure that their overseas work assignments will not constitute illegal employment in the country concerned.

As regards the responsibilities of employers for their employees who have been prosecuted or detained by the governments concerned, or who fall ill, sustain injuries or die accidentally whilst on duty outside Hong Kong, the various areas of protection under the law are broadly set out in the following paragraphs.

Where such employees who are working outside Hong Kong are employed by employers in Hong Kong, they are entitled to all the rights and benefits provided by Hong Kong's labour legislation, as if they are working in Hong Kong, provided that they fulfil the qualifying requirements for the relevant benefits. The protection will be available to such employees regardless of whether or not they have obtained a work permit to work in a place outside Hong Kong.

For instance, such employees who have fallen ill or injured by accident will be entitled to sickness allowance benefits under the Employment Ordinance. Where such employees are injured or die in an accident arising out of and in the course of their employment, they will be entitled to compensation from the employer as laid down under the Employees' Compensation Ordinance, Cap 282 ("ECO"). The employer is also required under the ECO to take out an insurance policy to cover his or her liability both under the ECO and at common law for injuries or death at work for their employees.

Also, employees have remedies against their employer independently of the ECO and may seek damages from the employer where injury has resulted from any negligence, breach or other wrongful act or omission for which the employer are responsible.

- (d) An employee can refuse to perform any duty which is illegal or which is not provided for in his employment contract. He can also refuse to work outside Hong Kong without a valid work permit if he knows this is illegal. Under these circumstances, the employer cannot invoke Section 9 of the EO to dismiss the employee summarily for failing to obey a reasonable or lawful order.

MTRC - Island West Extension

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

Question:

Regarding the project for the construction of the Island West extension of the Mass Transit Railway (i.e. extending the Mass Transit Railway Line from Sheung Wan to Western District on Hong Kong Island), does the Government know:

- (a) of the present progress of the above project;
- (b) whether consideration will be given to constructing the above extension before the Green Island Reclamation Area is developed; if not, why not; and
- (c) when the construction work is expected to commence and when it will be completed:

Reply:

Mr President,

The Railway Development Strategy (RDS) announced in December 1994 recognizes the need in the longer term to extend the existing MTR Island Line from Sheung Wan, via Kennedy Town, to the proposed Green Island reclamation. Its implementation was to have regard to the scale and timing of the Green Island reclamation.

MTRC have in the meantime completed a feasibility study to extend the MTR Island Line to the western part of Hong Kong in two phases; viz. Phase I to Kennedy Town and Phase II to the Green Island Reclamation. The Corporation are still considering the results of their study, including the financial viability of the two Phases. The Administration will consider MTRC's proposal when it is received. Our priority at this stage is the implementation of the three priority railway projects i.e. Western Corridor Railway, MTR Tsung Kwan O Extension and a rail link between Ma On Shan and Tai Wai together with a KCR Extension from Hung Hom to Tsimshatsui.

End

Allocation of revenue from rates

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Following is a question by the Hon Sin Chung-kai and a written reply by the Secretary for the Treasury, Mr K C Kwong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

- (a) of the basis for determining the allocation of the revenue from rates to the Government's General Revenue Account and to the Urban Council and Regional Council;
- (b) of the basis for determining the amount, debited from the rates allocated to the Government's General Revenue Account, to be used for meeting the expenses of the Water Supplies Department; and
- (c) whether the revenue from rates allocated to the Government's General Revenue Account is used for other specific purposes apart from meeting the expenses of the Water Supplies Department; if so, please specify the purposes to which the revenue from rates is put, the basis for allocation and the amount involved in each of the past three years; if not, why not?

Reply:

- (a) Revenue from rates is shared between Government and the two Municipal Councils on the basis of specified rates percentages stipulated in the Rating Ordinance which are determined once every three years to tie in with the triennial rates revaluation cycle. The allocation of revenue from rates to Government and to the Municipal Councils is determined on the basis of the expenditure requirements of the Councils, their financial position, and the Government's budgetary position and policies. The allocations thus determined are then translated into specified rates percentages for the General Rates and the respective rates for the Municipal Councils. Changes to the specified rates percentages are subject to the approval by resolution of the Legislative Council under the Rating Ordinance.

- (b) Revenue from General Rates is all credited to the General Revenue Account. This revenue then becomes an integral part of the General Revenue, like revenue from any other sources contributing to it. Money in the General Revenue Account is used to meet Government expenditure without any distinction as to source of revenue or type of expenditure; and there is no direct hypothecation of the revenue from General Rates for meeting the expenses of the Water Supplies Department. The contribution from rates to the revenue of the Water Authority, as shown in the Authority's operating accounts, is only notional income.
- (c) As explained in (b) above, once the revenue from General Rates is credited to the General Revenue Account, it becomes an integral part of the General Revenue which is used to meet all types of Government expenditure. There is no hypothecation of the revenue from General Rates for meeting any specific purposes.

End

Nature of assistance offered by British Embassy in Peking

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

Question:

In his comments on the controversy over whether beneficiaries of the British Nationality Selection Scheme can get consular protection, the Governor has reportedly stated that any British citizen going to a British Embassy or Consulate to ask for assistance, the British Government will do everything it can to help, just like what it has been doing when Hong Kong residents get into difficulty in China. Will the Administration inform this Council of:

- (a) the number of Hong Kong residents who have approached the British Embassy in Peking for assistance since 4 June 1989;
- (b) the number of people in (a) above who have been provided with assistance and the nature of such assistance; and
- (c) the number of people in (a) above whose requests for assistance have been refused and the reasons for refusal?

Reply:

Mr President,

The answers to the Honourable Member's questions, in the order they are raised, are as follows:-

- (a) The number of Hong Kong residents who have approached the British Embassy in Peking for assistance since 1991 amounts to 40 where action has been necessary. There have, however, been numerous other cases where only advice on various matters such as nationality, passports, marriage, legal/contractual disputes, lost documents was sought and given. Records before 1991 are not available.
- (b) All Hong Kong residents who have contacted the Embassy in Peking have received the assistance asked for. Such assistance includes obtaining funds from relatives and friends in Hong Kong, helping to trace missing persons, obtaining details of Hong Kong residents detained in China, arranging hospital visits, and obtaining replacement travel documents. The Embassy has also offered assistance by giving advice on nationality and marriage matters, and provided lists of lawyers in cases of legal dispute.
- (c) The British Embassy in Peking has never refused a request for assistance. There have been in some cases a limit to the assistance the Embassy can give. This is particularly true in cases involving company/contractual/business disputes. However, the Embassy has made every possible effort in helping Hong Kong residents.

End

Plans to meet airlines' operation requests

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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 how it plans to meet the airlines' requests for operating scheduled and non-scheduled services during the summer months in 1997?

Answer:

Mr President,

A total of 3,510 applications for scheduled flights per week during the summer months in 1997 have been received from the airlines. Over 90% of the requests have been met. For those applications which have been unsuccessful, the Civil Aviation Department (CAD) is liaising with the airlines concerned to see whether their requests can be accommodated by making use of the slots which are still available, mostly in the early morning period between 6:30 am and 7:55 am.

From past experience, it is most likely that some airlines may also submit applications to operate non-scheduled flights during the summer months. CAD has asked the airlines to submit any plans for the operation of non-scheduled services during the summer period by the end of March 1997. Any such applications will be considered on a case by case basis and airlines will be allocated vacant slots which have not been utilised by scheduled carriers.

In addition, CAD is examining measures to increase runway capacity temporarily to cope with the additional demand.

End