

## OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 31 March 1993

The Council met at half-past Two o'clock

### PRESENT

THE PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., LL.D., Q.C., J.P.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E., J.P.

THE HONOURABLE MRS PEGGY LAM, O.B.E., J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E.

THE HONOURABLE JAMES DAVID McGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE GILBERT LEUNG KAM-HO

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

**ABSENT**

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

THE HONOURABLE STEVEN POON KWOK-LIM

DR THE HONOURABLE PHILIP WONG YU-HONG

**IN ATTENDANCE**

MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.  
SECRETARY FOR TRANSPORT

THE HONOURABLE JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.  
SECRETARY FOR EDUCATION AND MANPOWER

MR ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.

SECRETARY FOR SECURITY

MRS ELIZABETH WONG CHIEN CHI-LIEN, I.S.O., J.P.  
SECRETARY FOR HEALTH AND WELFARE

MR CHAU TAK-HAY, J.P.  
SECRETARY FOR TRADE AND INDUSTRY

MR JAMES SO YIU-CHO, O.B.E., J.P.  
SECRETARY FOR RECREATION AND CULTURE

MR RONALD JAMES BLAKE  
SECRETARY FOR WORKS

MR ANTHONY GORDON EASON, J.P.  
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR CLETUS LAU KWOK-HONG

**Papers**

The following papers were laid on the table pursuant to Standing Order 14(2):

*Subject*

Subsidiary Legislation	<i>L.N. No.</i>
Public Health and Municipal Services Ordinance (Amendment of Third Schedule) Order 1993 .....	88/93
Public Health and Municipal Services Ordinance (Amendment of Sixth Schedule) Order 1993 .....	89/93
Government Flying Service (Discipline) Regulation .....	90/93
Government Flying Service (General) Regulation.....	91/93
Government Flying Service (Welfare Fund) Regulation.....	92/93
Government Flying Service Ordinance (Cap. 322) (Commencement) Notice 1993.....	93/93
Pension Benefits Ordinance (Established Offices) (Amendment) Order 1993 .....	94/93
Revised Edition of the Laws (Correction of Errors) Order 1993 .....	95/93
Declaration of Change of Title (Secretary for Monetary Affairs) Notice .....	96/93
Commissioner for Administrative Complaints Ordinance (Amendment of Schedule 1) Order 1993.....	97/93

## Sessional Paper 1992-93

- No. 68 — Estimates for the year ending 31 March 1994  
 General Revenue Account  
 Summaries  
 Revenue by Heads and Subheads

## Miscellaneous

Consultation Paper on Final Report of the Committee on Scientifically Assisted Human Reproduction  
March 1993

Revised Codicil to the Paper "Scope of Government Audit in Hong Kong — 'Value for Money' Studies"

## Addresses

### **Consultation Paper on Final Report of the Committee on Scientifically Assisted Human Reproduction March 1993**

SECRETARY FOR HEALTH AND WELFARE: Mr President, I have much pleasure in placing before the Council a Consultation Paper on Scientifically Assisted Human Reproduction. This document is published today for public consultation until the end of June.

Scientifically Assisted Human Reproduction, or SAHR in short, is the assistance of human conception by artificial means, in order to alleviate human infertility. Since 1986, when the first baby was born in Hong Kong as a result of in-vitro fertilization, the practice of SAHR procedures has developed rapidly and is no longer uncommon. But SAHR procedures raise many wide-ranging social, moral, ethical and legal concerns and controversies. In 1987, a Committee on Scientifically Assisted Human Reproduction was appointed to look into the issues involved. It took five years to complete the report. This long gestation period bears out the complexities of the subjects under consideration. The Committee submitted its Final Report to me last year.

Chaired by Dr the Honourable LEONG Che-hung, the Committee has had the advantage of drawing expertise from distinguished members in many disciplines including medicine, law, social work, psychology, family planning, along with representatives of concerned government departments. I wish to take this opportunity to thank them all, in particular, to thank Dr the Honourable LEONG Che-hung for his perspicacity and patience.

The report discusses the complex issues thoroughly in layman's language and makes 22 well-presented recommendations. These have profound and far-reaching implications. They represent scientific intervention in the natural process of human reproduction.

I have studied the Final Report carefully and sought advice from the Executive Council. As rightly pointed out by one expert in obstetrics and gynaecology, the concern over this issue mainly comes from the public. Given the time it has taken for us to come thus far and given the implications of SAHR procedures, it is appropriate for the community to be updated on the issues

involved and to take the lead in forming a view on the recommendations before a final decision is taken. Today we have before the Council the Consultation Paper. It sets out briefly the background and arguments on SAHR procedures for public comment. Paragraph 11 of the Consultation Paper also explains the legal implications on SAHR procedures flowing from the Parent and Child Ordinance enacted by the Council earlier this month.

Copies of the Consultation Paper are now available for collection by members of the public from District Offices. I will also send copies to concerned individuals and bodies in the medical, legal, social service and religious fields. I hope that the Consultation Paper will form the basis for discussion within the community and look forward to receiving all considered response.

### **Revised Codicil to the Paper "Scope of Government Audit in Hong Kong — 'Value for Money' Studies"**

MR STEPHEN CHEONG: Mr President, on 19 November 1986, the Chairman of the Public Accounts Committee laid on the table of this Council a paper entitled "Scope of Government Audit in Hong Kong — 'Value for Money' Studies", which sets out the scope of work of the Director of Audit together with certain guidelines for the Director to conduct his value for money audits.

On 28 October 1987, the Chairman presented to this Council a Codicil to the 1986 paper setting out the agreement that the Director of Audit would report his findings on "Value for Money" audits to this Council twice a year.

In the Codicil, it was stated, *inter alia*, that the Director of Audit shall submit his reports to the "Governor as President of the Legislative Council". As a result of the Governor relinquishing his presidency of the Legislative Council, the term "Governor as President of the Legislative Council" where it appears in the Codicil should now be amended to read "the President of the Legislative Council". This is in line with the recent amendments made to the Audit Ordinance (Cap 122) as agreed to by this Council on 10 March 1993.

Section 12(2) of the Audit Ordinance (Cap 122) as recently amended now empowers the President to vary the period within which the Director of Audit's report shall be laid before the Council. In line with this amendment, the term "Governor" appearing in the third paragraph of the Codicil should also be amended to read "the President".

Following the separation of the Executive and Legislative Councils, the "Clerk of Councils" is no longer responsible for servicing the Legislative Council. The opportunity is therefore also taken to amend the term "Clerk of Councils" in paragraph 4 of the Codicil to "Clerk to the Legislative Council" to reflect this change.

Mr President, on behalf of the Public Accounts Committee, I now table a revised Codicil incorporating the above amendments.

### Written answers to questions

#### "Credit unit system"

1. MR LAU CHIN-SHEK asked (in Chinese): *The Education Commission in its Report No. 3 published in 1988 recommended that further consideration should in the long run be given by the tertiary institutions and the University and Polytechnic Grants Committee to the adoption of a "credit unit system" so as to give students a greater range of subject options and more flexible timing in pursuing studies. Will the Government inform this Council whether the tertiary education structure is at present moving towards a "credit unit system"; if so, what the respective systems adopted by various tertiary institutions are; if not, what the reasons are?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the Education Commission's Report No. 3 recommended that further consideration should be given to the adoption of a credit unit system following the implementation of the Commission's more urgent recommendations. All of the nine degree awarding institutions in Hong Kong have addressed this issue in a number of ways.

The University and Polytechnic Grants Committee (UPGC), which was tasked with monitoring the implementation of the Government's decisions regarding the UPGC-funded tertiary institutions, decided that the adoption of credit unit systems should be left initially to the institutions' discretion. The UPGC plans to revert to detailed consideration of a more comprehensive system of credit accumulation and inter-institutional credit transfer, in the context of its review of the development of higher education in the 1992-95 triennium.

At present the seven UPGC-funded institutions operate credit unit systems to varying extents. Three of these institutions, the Hong Kong University of Science and Technology, the Hong Kong Baptist College and Lingnan College, operate fully on the basis of credit unit systems. The Chinese University of Hong Kong is moving to a credit unit system in line with its move to the normative three-year first degree structure. The City Polytechnic of Hong Kong operates a modular scheme for the design of its course structures, which represents an intermediate position short of a full credit unit system. The Hong Kong Polytechnic operates a credit unit system only for certain post-graduate and post-experience courses. The University of Hong Kong does not have a formal credit unit system, but is introducing more flexible arrangements, some of which are on a unit basis, for interdisciplinary studies.



In respect of the other two degree awarding institutions:

- (a) The Academy for the Performing Arts (APA) adopts the North American system of awarding credits for studies accomplished. A student receives specific credits for predetermined hours of study in each subject of his curriculum and these count towards the award of a degree. The credits can be transferred to other accredited institutions worldwide, allowing the student to seek advanced education internationally.
- (b) The Open Learning Institute of Hong Kong (OLI) has operated a credit unit system since it was established in 1989. Courses leading to the award of an OLI degree are worth a number of credits according to the length of course and the required hours of study. Students are advised of a recommended order of completion of courses, but there is no mandatory requirement in this regard. Thus the Institute allows students maximum flexibility in the choice of the number and level of courses to study in any one semester or year. Credit transfer systems are in place to enable students who have successfully completed equivalent courses in recognized institutions to count those courses towards their OLI degree. Special Institutional Credit Transfer agreements also exist between the OLI and the Open Universities of the United Kingdom and of British Columbia.

### **Investment Promotion and Protection Agreement**

2. MR TAM YIU-CHUNG asked (in Chinese): *The first Investment Promotion and Protection Agreement (IPPA) was recently signed between the Governments of Hong Kong and Netherlands. Will the Government inform this Council:*

- (a) *of the details of the IPPA negotiation programme and the progress made so far; and*
- (b) *whether consultation would be held with the Chinese Government if such agreements extend beyond 1997?*

SECRETARY FOR TRADE AND INDUSTRY: Mr President, with the authorization of the United Kingdom Government and with the agreement of the Government of the People's Republic of China, the Hong Kong Government is negotiating a network of IPPAs with countries whose investors have invested substantially in Hong Kong. After an IPPA has been negotiated and initialled but before it is signed, the text is shown to the Chinese side in the Joint Liaison Group to ensure that they are content. This will enable these agreements to continue in force after 1997 which is obviously an important feature of them.

The present position on the IPPA negotiation programme is as follows:

- (i) an IPPA has been signed with the Netherlands; another, with Canada, has been initialled and approved by the Chinese side and is awaiting signature;
- (ii) a further seven IPPAs have been initialled with Australia, Sweden, Switzerland, Denmark, Germany, Italy and France; and
- (iii) negotiations with other important investment partners, including United States, New Zealand and Singapore, are under way or planned.

### **Dangerous slopes**

3. DR SAMUEL WONG asked: *Will the Government inform this Council:*

- (a) *how many dangerous slopes requiring immediate repair exist in the housing estates under the management and control of the Housing Authority; and*
- (b) *whether the Housing Department is adequately staffed with geotechnical experts to service and monitor the conditions of the dangerous slopes; and what the existing staff structure is?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) No slopes under the management and control of the Housing Authority are classified as dangerous as such. There are, however, 1 200 registered slopes which are subject to regular inspection and maintenance. Twenty of these slopes have been identified over the past 12 months as requiring immediate repair and upgrading. Work on 16 has already been completed; while that on the remaining four is expected to be completed before the coming wet season.

In addition, under the landslip preventive measures programme of the Government Geotechnical Engineering Office, nine slopes within the Housing Authority's estate boundaries are earmarked for upgrading work. Work on two has been included in current contracts; while that on the remaining seven is programmed to start soon.

- (b) The Housing Department is adequately staffed to carry out this work. Its Civil Engineering Maintenance Unit has an establishment of one Senior Geotechnical Engineer, two Geotechnical Engineers

and one Civil Engineer, and can call upon the support of its Civil Engineering New Works Section which comprises four Senior Geotechnical Engineers and 20 Geotechnical Engineers. All registered slopes are subject to regular annual inspection by the Authority's geotechnical advisory service term consultants.

### **Recruitment of judges**

4. MISS EMILY LAU asked: *As three Court of Appeal judges are due to retire this year, will the Government inform this Council whether it is recruiting judges from Britain and what kind of vetting procedures there are to ensure the high quality of judges recruited?*

CHIEF SECRETARY: Mr President, the question is in two parts. The first part deals with the recruitment of judges of the Court of Appeal to fill the expected vacancies, and the second part concerns the vetting procedures to ensure the high quality of judges recruited. I would answer the second part of the question first.

The professional qualifications of the judges of the Court of Appeal are stipulated in section 9 of the Supreme Court Ordinance (Cap 4). Only candidates who meet these statutory qualifications will be considered for appointment to the Court of Appeal in Hong Kong. The three sources of candidates are: judges at High Court level, local lawyers outside the Judiciary and lawyers recruited from the United Kingdom.

When a vacancy is expected, soundings will be taken in Hong Kong through the Chief Justice, members of the Judicial Service Commission and leaders of the profession in order to identify and suitable candidates. Should it be considered also necessary to seek candidates outside Hong Kong enquiries will be made through the judicial sources and senior members of the profession in the United Kingdom.

All likely candidates are considered by the Judicial Service Commission which will make a recommendation to the Governor. If the Governor accepts the recommendation, he will submit it to the Secretary of State for approval. When approval is received from the Secretary of State, the Governor will make the appointment in accordance with section 6 of the Supreme Court Ordinance.

Returning to the first part of the question, there are three vacancies in the Court of Appeal arising from retirements this year. Mr Justice BOKHARY has been appointed to fill one of these vacancies and the Judicial Service Commission is considering the prospect of filling the other two posts.

**Imported labour**

5. MR HOWARD YOUNG asked: *Will the Government inform this Council:*

- (a) *what measures it has taken to enforce the rule which requires that workers recruited from outside Hong Kong must remain in the direct employ of the same employers for specified jobs; and*
- (b) *what penalties are involved if such workers are found to take up jobs other than those stipulated in their employment contracts, including part-time work during weekends and public holidays, and whether their entry visas will be cancelled as a result?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the answers to Mr YOUNG's questions are as follows:

- (a) Workers recruited from outside Hong Kong are only permitted to work for specified employers and in specified jobs. To enforce this rule, officers of the Immigration Department conduct spot checks regularly as well as investigate complaints when received;
- (b) Imported workers who take up jobs other than those stipulated in their employment contracts will have breached their conditions of stay. Any person who breaches his conditions of stay is guilty of an offence and is liable on conviction to a fine of \$5,000 and to imprisonment for two years. He is also liable to be removed from Hong Kong.

**Hong Kong Housing Society's building management service**

6. DR HUANG CHEN-YA asked (in Chinese): *Since the Administration may invoke the Crown Lands Resumption Ordinance to facilitate the Urban Renewal Scheme undertaken by the Hong Kong Housing Society, will the Government inform this Council what measures are available to monitor the quality of the building management service provided by the Hong Kong Housing Society and its scale of management fees?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, the management of a building in multiple ownership is governed by the Deed of Mutual Covenant (DMC). The same applies to Housing Society buildings. Owners can enforce their rights laid down in the DMC. In addition, for a development on land resumed by the Government for the Housing Society, the DMC has to be approved by the Director of Buildings and Lands.

Owners of Housing Society flats may also form a Mutual Aid Committee or Owners Committee. Matters of management, including the quality of management service and the scale of management fees, are decided in consultation with the owners.

### **Street sleepers**

7. MR CHIM PUI-CHUNG asked (in Chinese): *Will the Government inform this Council of the existing number of street sleepers in Hong Kong; the specific plans for the provision of accommodation to these people; and whether it will consider making alterations to those suitable Vietnamese Boat People Centres which are expected to be vacated in future, so as to provide accommodation to street sleepers?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the number of street sleepers in Hong Kong recorded by the Social Welfare Department in January 1993 was 1 051.

Street sleepers may be offered public housing on compassionate grounds on the recommendation of the Social Welfare Department. Street sleepers who require institutional care can also be placed in a residential care home, such as a home for the aged, a care-and-attention home, or a private home for the elderly.

For those street sleepers who are reluctant to move into a public housing estate or to live in an institution, temporary accommodation in a shelter or hostel is available. These shelters and hostels are located mainly in the old urban areas and are operated either by the Social Welfare Department or non-governmental organizations.

At present, there are 11 temporary shelters and hostels operated by the Social Welfare Department and non-governmental organizations, providing a total of 482 places for street sleepers. Another seven urban hostels have also been planned by the Social Welfare Department to provide an addition of 238 places.

As Vietnamese Boat People Centres are located in remote areas of the territory, it is most unlikely that they would be acceptable as accommodation to street sleepers.

### **PRC visitors**

8. MR MARTIN BARROW asked: *As visitors from the Mainland are now important contributors to Hong Kong's tourism industry, will the Government inform this Council:*

- (a) *if it will eliminate visas for short-term business or vacation visitors;*
- (b) *what other steps it will take to speed up the processing of visas, when and if still required; and*
- (c) *whether there are limits or quotas on PRC visitors?*

SECRETARY FOR SECURITY: Mr President,

- (a) We are aware that the rapid growth of China's economy has resulted in more Chinese visitors coming to Hong Kong and contributing to our tourist industry.

Under the existing arrangements, residents of China holding Chinese two-way permits who visit Hong Kong individually or in groups, as tourists or on business, do not require visas. Those travelling on Chinese passports do require visas.

However, we are now considering whether we can relax the requirement for visas for short-term tourist or business visitors from China.

- (b) In normal circumstances, visas are approved within one to two weeks; the present arrangements have been working well. If we relax further visa requirements, this should help to reduce visa processing times.
- (c) There is no limit or quota on visitors from China. However, the Hong Kong and Chinese Governments agreed in 1983 that the number of Two-way Permit holders visiting Hong Kong should be allowed to increase in a gradual and controlled manner.

### **Flood prevention**

9. DR TANG SIU-TONG asked (in Chinese): *As the threat of flooding may again affect the northwest New Territories in the forthcoming rainy season, will the Government inform this Council:*

- (a) *what projects in connection with river dredging and flood prevention have been completed by the Government in these areas in the past year; and*
- (b) *whether these projects are considered adequate in preventing the recurrence of flooding this year; if not, what other preventive measures will be taken by the Government?*

SECRETARY FOR WORKS: Mr President,

- (a) Drainage improvement works completed in the past year

The following works have been completed:

1. *Local drainage improvement projects*

Projects at Kwu Tung/Tong Kok and Tai Lam Chung.

2. *River maintenance*

Stream clearance at 13 flood prone locations including Sha Po, San Tin, Shek Wu Wai, Fairview Park, Lok Ma Chau, Fu Tei Au, Beas River, Lam Tsuen River, Siu Lam, So Kwun Wat, Po Tong Ha, Tuk Mei Chung and Tsz Tin Tsuen. A total of about 43 000m<sup>3</sup> of silt have been removed.

3. *Major drainage improvement*

The main drainage channels in the Tin Shui Wai hinterland and the construction of flood pumping stations at Ha Mei San Tsuen and Sheung Cheung Wai.

- (b) Whether these projects are considered adequate and whether other preventive measures will be taken by the Government

The long-term solution to the flooding problem in the northwest New Territories lies in the completion of an extensive programme of major drainage projects. The programme will comprise the training of main rivers and the construction of floodwater pumping schemes in Yuen Long, Kam Tin, Ngau Tam Mei and San Tin. These projects are now at various stages of planning and design under PWP items Nos 22CD, 29CD, 30CD, 35CD and 43CD. It is estimated that these projects will cost \$2,805 million and the majority of which will be completed by 1998-9. The construction of the first project, training of the Shan Pui River, is scheduled to start in mid-1993.

In view of the time needed to complete such a substantial programme of flood prevention projects, the Government is taking a number of short-term measures to deal with the flooding problem in the interim:

1. *Local drainage improvement*

Thirty local drainage improvement projects will be carried out under the Rural Planning and Improvement Strategy

Programme, starting from 1992. Tin Ha Road, Ha Tsuen Shi, Mai Po Lung and Fong Kong Tsuen are the main areas that will benefit from work starting in the next two years.

2. *River maintenance*

At present, comprehensive river maintenance has been made difficult by the problem of gaining access. To overcome this problem, a Land Drainage Bill is in the final stages of being drafted which will empower the Government to gain access to main rivers to carry out regular maintenance. It is expected that the Bill will be introduced to the Legislative Council this

3. *Floodplain management*

The Drainage Impact Assessment (DIA) process for major private development projects, which aims to prevent further flooding, has continued. Since April 1992, about 30 DIA submissions have been considered and drainage improvements

4. *Flood warning*

Testing of flood sirens at San Tin, Kwu Tung, Tai Tau Leng and Tai O began last year and will continue this year. Meanwhile, development of a Real-time Flood Forecasting System by consultants is near completion. The pilot testing of this system in the Indus Basin will begin during this wet

While the above short-term measures will not alleviate flooding on a regional scale, they will help to prevent further deterioration of the situation and to improve the capacity of some local drainage systems to cope with less serious floods. The flood warning installations should help to reduce the losses caused by flooding.

### **Tolo Highway**

10. REV FUNG CHI-WOOD asked (in Chinese): *Will the Government inform this Council of the volume of traffic along Tolo Highway in the last three years; whether the current volume of traffic on the highway has exceeded its originally planned capacity, thus leading to higher frequency of repair and maintenance; what steps are being taken by the Administration to minimize traffic disruptions caused by such works and whether consideration has been given to taking measures to reinforce the structure of the highway so as to minimize the need for repair and maintenance works?*



SECRETARY FOR TRANSPORT: Mr President, the average daily traffic flow on Tolo Highway has increased over the last three years from 66 950 vehicles per day in 1990 to 83 510 in 1991 and 98 230 in 1992. These figures are within the road's design capacity of 120 000 vehicles per day.

A recent road condition survey revealed that Tolo Highway is structurally sound. The surface is, however, subject to normal wear and tear and resurfacing is required every four to five years.

To minimize traffic disruption, road resurfacing works are only carried out at night between 10 pm and 6 am. Other minor works such as repainting road markings are undertaken during off-peak hours between 10 am and 4 pm.

The use of more durable road surface materials has been considered. However, rigid reinforced concrete, which has a longer design life, is considered unsuitable for Tolo Highway as it will cause problems of noise, skid resistance and riding quality, given the high speed of traffic permitted on this expressway.

### **International conferences**

11. MISS CHRISTINE LOH asked: *Will the Government inform this Council:*

- (a) *whether there will be any Hong Kong Government officials attending the World Conference on Human Rights to be held in Vienna in June this year, or whether Hong Kong will be represented by the British delegation; and*
- (b) *whether there is any policy regarding the Hong Kong Government's attendance at international conferences; if not, what factors it will take into consideration in deciding the attendance at international conferences on a case by case basis?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, the answers to Miss LOH's questions are as follows:

- (a) The British delegation to the World Conference on Human Rights to be held in Vienna in June this year will include Hong Kong Government official.
- (b) The policy regarding Hong Kong Government's attendance at international conferences is that each case will be considered on its own merits. Hong Kong Government officials will normally attend where the subject matter of the conference is of interest or concern to Hong Kong and where it is appropriate to do so.

**Concessionary charging scheme for the elderly**

12. MR HOWARD YOUNG asked: *Will the Government inform this Council:*

- (a) of the services that are provided by the Government, public corporations and public utility companies for the elderly at concessionary rates; and*
- (b) whether there are plans to extend the concessionary charging scheme to other services such as medical service?*

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) Various concessionary fares and charges are offered by the Government, public corporations and public utility companies for elderly persons. The major concessionary schemes are listed below:
  - (i) Public transport operators
    - Star Ferry offers free travel to all passengers aged 65 or above.
    - Hongkong and Yaumati Ferry offers an off-peak half-fare concessionary scheme for passengers aged 65 or above.
    - Mass Transit Railway Corporation offers concessionary fares for persons aged 65 or above.
    - Kowloon-Canton Railway Corporation offers concessionary fares for persons aged 65 or above.
  - (ii) Regional Council
    - A 50% discount is offered to persons aged 60 or above for use of facilities charged on a "per head" basis. This arrangement applies to tickets for cultural presentations, programme fees for sports and recreation activities and charges for leisure facilities, such as holiday camps and swimming pools.
    - A 50% discount is offered to elderly persons for charges on facilities used by groups calculated on a "per court" basis, if all users are aged 60 or above. This applies to hire charges for facilities at indoor recreation centres, squash courts, tennis courts, sports grounds, grass pitches and artificial grass pitches.

- The normal fee is waived for persons aged 60 or above for services charging a "nominal fee", such as cloak room service at civic centres or libraries. Fees are also waived for special sports and recreation programmes organized especially for the elderly.

(iii) Urban Council

A 50% discount is offered to persons aged 60 or above for:

- admission to Urban Council museums;
- use of Urban Council sports facilities (non-peak hours);
- admission to Urban Council cultural and entertainment programmes;
- admission to Urban Council sports and recreation programmes;
- admission to the Urban Council Flower Show; and
- attendance at Urban Council horticultural classes.

A 35% discount is offered to persons aged 60 or above for admission to Space Museum shows.

A 40% discount is offered to persons aged 60 or above for admission to the Science Museum.

(iv) Ocean Park

Since May 1991, admission to Ocean Park is free for persons aged 60 or above.

- (b) In his Budget speech on 3 March 1993, the Financial Secretary announced that the annual licence fees and rentals of public transport operators would be waived in order to encourage them either to introduce concessionary fares for the elderly, or to improve their existing concessionary schemes. As a result of this scheme, the following new concessionary schemes are planned:

- Kowloon Motor Bus plans to introduce a new concessionary scheme by April or May this year.
- Citybus will introduce a new concessionary scheme for the elderly when it takes over 26 bus routes from China Motor Bus in September this year.
- China Motor Bus has agreed, in principle, to introduce a limited concessionary scheme.

- New Lantao Bus and Hongkong and Yaumati Ferry will upgrade their concessionary schemes.

### **Landfill projects**

13. MR GILBERT LEUNG asked (in Chinese): *Will the Government inform this Council:*

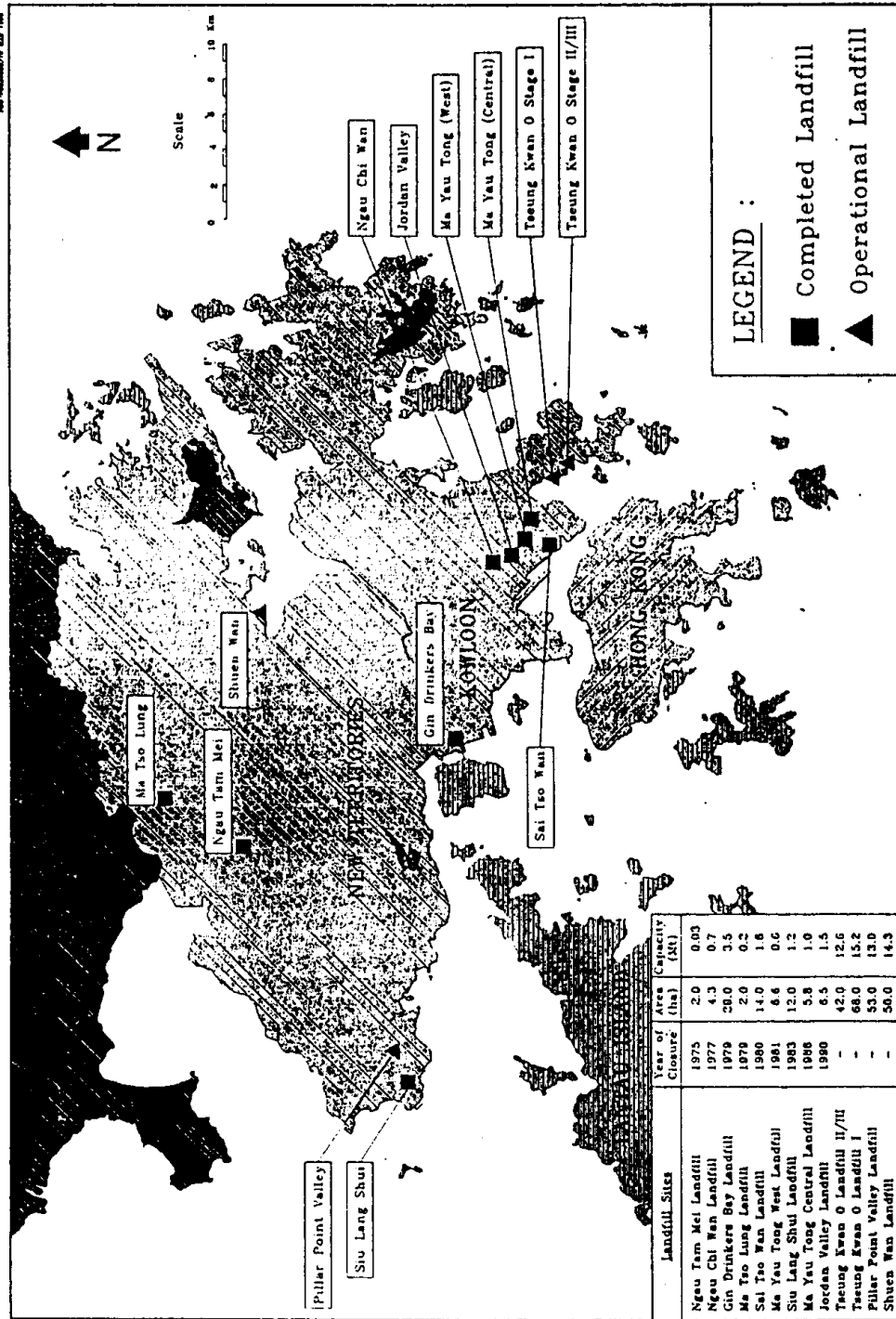
- (a) *of the respective area and location of each completed landfill; and*
- (b) *whether the Administration has formulated any plans on the proper utilization of the sites of these landfills; if so, what the details and costs of the relevant programmes are; if not, what the reasons are for not doing so and whether consideration will be given to formulating such plans?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) The map attached identifies the locations of closed and currently operating landfills. The table in the lower left-hand corner of the map shows the year of closure, surface area and estimated volume of each site.
- (b) Unlike the new strategic landfills under planning, closed and currently operating landfills were not designed so as to minimize their environmental impact, particularly in respect of emissions of landfill gas and leachate. Hence, the Government has formulated a phased landfill restoration programme, within which studies are being undertaken on the extent of pollution problems and control and remedial measures required.

The study for the six landfills in the urban area, namely Ngau Chi Wan, Jordan Valley, Ma Yau Tong (West and Central), Sai Tso Wan and Gin Drinkers Bay, is complete. The pollution control and restoration works which are required have been identified and are expected to cost about \$250 million. Similar studies are now being carried out in respect of landfills in the northwest New Territories and the necessary works are expected to cost about \$310 million.

The uses to which completed and restored landfills may be put depend on their location, topography and surrounding land uses. Most forms of building development are ruled out, at least until the landfill has fully stabilized. A more typical use could be public open space and recreation but each case will need detailed study.



LANDFILL RESTORATION STUDIES - SITE LOCATIONS

**Purported breaches of radio and television codes of practice**

14. MR ERIC LI asked (in Chinese): *Will the Government inform this Council whether consideration will be given to following the Consumer Council's practice of announcing the names of shops which operate in an improper way, by regularly making public those radio and television programmes under complaints lodged with Broadcasting Authority, the names of producers concerned and the causes of complaint, so as to impress upon the producers that their production methods are unacceptable to the community and to put educationalists and parents on the alert in giving guidance to the children in respect of those programmes?*

SECRETARY FOR RECREATION AND CULTURE: Mr President, the publication of full details of breaches by licensees of the television and radio codes of practice on programme and advertising standards is a matter for the Broadcasting Authority to determine. Under the Broadcasting Authority Ordinance, the Complaints Committee of the Authority may determine its own procedures.

Currently it is not the practice of the Broadcasting Authority to publicize details of individual breaches considered by the Authority, though statistics on complaint cases, including details of warnings and financial penalties, are published annually in the Broadcasting Authority Annual Report which is tabled in the Legislative Council.

I will raise the Honourable Member's concern with the Broadcasting Authority and invite members of that Authority to consider the points raised.

**Special public housing allocation policy**

15. MR WONG WAI-YIN asked (in Chinese): *A special allocation policy was introduced in 1991 to allow some families not normally eligible for public rental housing to apply for flats in Tin Shui Wai under Priority Two or Three. Will the Government inform this Council:*

- (a) *of the reason for the cancellation of the policy in January 1993; and*
- (b) *whether other options will be made available to the applicants qualified under Priority Two or Three so that they will still have the opportunity to be allocated public housing units?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) Having regard to difficulties in letting new flats in Tuen Mun in 1990-91, the Housing Authority approved in July 1991 a special package, including relaxed eligibility criteria, to attract tenants to the more remote Tin Shui Wai estate due for population intake from mid-1992. In the event, response from eligible applicants has proved to be more than sufficient to take up all the flats coming on stream up to March 1994. Thus the Authority decided in January this year not to accept any more new applications from Priority Two and Three families.
- (b) Since the Authority's priority is to meet the housing needs of those already eligible under current criteria from whom there is more than sufficient demand to take up available supply, it is not possible to offer flats to Priority Two and Three applicants for the present. Those who have already applied have been notified that their chance of being allocated a flat in the next two years is slim.

**Prospective public rental housing units**

16. DR CONRAD LAM asked (in Chinese): *Will the Administration inform this Council:*

- (a) *of the respective numbers and locations of public rental housing units to be completed in each of the next three years; and*
- (b) *of the allocation ratio that will be adopted in each year to allot these units to the various categories of applicants (for example applicants on the waiting list, people affected by government clearance, compassionate rehousing case, and so on)?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) The total number of public rental units to be completed in the next three years is 58 400. A breakdown is provided at Annex A. In addition, about 13 000 vacated units are expected to be recovered from tenants for allocation each year. For 1993-94, about 40 000 units will be available for allocation, including about 20 000 newly completed units, 13 000 units recovered as well as 7 000 units refurbished to a higher standard.

- (b) There is no fixed ratio for allocating rental flats to various categories of prospective tenants. At the beginning of each financial year, the Housing Authority makes an assessment of the likely demand from various categories and supply from different sources. It then decides on the allocation quotas for the year. The quotas in respect of 1993-94 have therefore not yet been decided, but as an illustration, the quotas for 1992-93 are set out at Annex B.

Annex A

## Number of Public Rental Units to be completed

<i>Location</i>	<i>1993-94</i>	<i>1994-95</i>	<i>1995-96</i>
Urban Area	6 000	14 800	6 600
Extended Urban Area	7 600	6 200	4 600
New Territories	6 100	2 600	3 900
Total	19 700	23 600	15 100

Annex B

## Allocation Quotas for 1992-93

<i>Categories</i>	<i>No. of units</i>
Waiting List	14 000
Redevelopment	13 700
Clearance	8 000
Junior Civil Servants and Pensioners	1 300
Compassionate	1 200
Transfer	500
Emergency	300
	39 000
	====

**Sino-British diplomatic exchanges**

17. MR HENRY TANG asked: *Following the gazetting of the Electoral Provisions (Miscellaneous Amendments) Bill 1993 on 12 March 1993, the Sino-British relations have deteriorated and both sides have issued statements as to how the negotiations on talks have been handled. To allow Hong Kong*



*people to have a clearer picture of the whole matter, will the Government consider releasing to the public the diplomatic exchanges between the two countries? If yes, when will they be released? If not, please explain why the seven letters exchanged between the two countries in 1990 on the election arrangements for 1995 can be released?*

SECRETARY FOR CONSTITUTIONAL AFFAIRS: Mr President, at a special sitting of the Legislative Council on 12 March 1993, the Governor made clear the British side's position and efforts in exploring whether a firm and productive basis could be found to hold formal talks with the Chinese Government on the 1994-95 electoral arrangements in Hong Kong. It is not normal practice to disclose confidential diplomatic exchanges between the Governments, which in any case normally consist of oral exchanges rather than written messages.

British Ministers decided to publish the seven messages exchanged between the British and the Chinese Governments following a specific suggestion to this effect from the Chinese side.

#### **Site and user specification in sales brochures**

18. MR HENRY TANG asked: *Will the Government inform this Council whether real estate developers will be required to specify in sales brochures sites within the vicinity of their developments which are known to the developers to be used for building rehabilitation centres for mental patients, schools for mentally retarded and similar institutions?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, the Government's aim is to encourage developers to provide sufficient and accurate information in their sales material as far as practicable. A subcommittee of the Law Reform Commission is currently studying the subject of disclosure of information in sales material on uncompleted flats. The aim of the subcommittee is to ensure that sufficient information is available to the prospective purchaser in a practical and pragmatic fashion. The subcommittee expects to finalize its recommendations in the next few months. Thereafter the Government will study them carefully.

#### **Private homes for the elderly**

19. DR LAM KUI-CHUN asked: *In view of the closure of a private home for the elderly in Hong Kong recently, will the Administration inform this Council:*

(a) *whether it is aware of:*

- (i) *the number of people currently living in private homes for the elderly;*
  - (ii) *the number of such homes closed in the past two years; and*
  - (iii) *the number of elderly people rendered homeless by such closures; and*
- (b) *of the assistance the Government would offer to the elderly people who are affected by such closures?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the answers, *seriatim*, are as follows:

- (a) (i) As at 1 March 1993, there were approximately 11 800 people living in private homes for the elderly.
- (ii) In the past two years (from 1 March 1991 to 28 February 1993), 29 private homes ceased operation and 397 residents were affected.
- (iii) No elderly person was rendered homeless by such closures as alternative accommodation was arranged for all the residents affected.
- (b) Where assistance is required, the Social Welfare Department would arrange alternative placement for elderly people affected by such closures. Immediate placement would be arranged for them either in private homes, emergency units of subvented homes, or the Temporary Accommodation Unit of the Aberdeen Rehabilitation Centre run by the Social Welfare Department.

#### **Work-based child care centres**

20. DR LAM KUI-CHUN asked: *Will the Government inform this Council:*

- (a) *whether it has conducted any study on the demand for work-based child care centres in Hong Kong and the benefits brought about by these centres in solving the problem of labour shortage; and*
- (b) *of the Government's policy in regard to the provision of such centres?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the Government's policy is to encourage employers to set up work-based child care centres for their employees. This policy has been set out in the 1991 White Paper *Social Welfare into the 1990s and Beyond*. The Social Welfare Department will continue to promote the concept among employers in Hong Kong and to pave the way for community acceptance of this relatively new concept. The Government, as an employer, has conducted a survey of civil servants working in Central and Wan Chai districts recently to collect their views on a proposal to set up a work-based child care centre in either Central or Wan Chai for their children. The response is encouraging.

### **First Reading of Bill**

#### **ADMINISTRATIVE APPEALS BOARD BILL**

*Bill read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).*

### **Second Reading of Bills**

#### **ADMINISTRATIVE APPEALS BOARD BILL**

THE CHIEF SECRETARY moved the Second Reading of: "A Bill to establish the Administrative Appeals Board for the purpose of hearing appeals against certain administrative decisions, to provide for the powers and procedure of the Board, and for related matters."

He said: Mr President, I move that the Administrative Appeals Board Bill be read a Second time.

The Bill seeks to establish an independent Administrative Appeals Board to hear statutory appeals against certain administrative decisions. The Board will be able to exercise all the powers and discretions conferred on the original decision maker, and may affirm, vary or set aside the original decision.

The Bill provides for a more open statutory appeal system in line with Article 10 of the Bill of Rights Ordinance. It enables the Board to conduct hearings in public, allows the appellant the right to attend and be represented at board hearings, and requires the Board to state in writing the reasons for their decisions. This will not only improve the transparency of the determination of appeals, but will also enhance the quality of the administration of justice.

The Administrative Appeals Board is designed to handle a wide range of appeals. Initially, however, it will only deal with 28 types of relatively simple appeals including miscellaneous licensing and registration appeals. This is to give the Board time to establish itself and to build up expertise. Statutory

appeals which may have important policy and political implications will continue to be dealt with by the Executive Council.

To enable the Board to function effectively, the Board will comprise people with legal expertise and a wide spectrum of experience. The Chairman, Deputy Chairmen, panel members and the Secretary will be appointed by the Governor. The Chairman and Deputy Chairmen will be legally qualified persons eligible for appointment as a District Court Judge. The panel of members will be appointed from people with different experience and expertise to provide the Board with the capability to deal with different types of administrative appeals.

Mr President, I beg to move.

*Bill referred to the House Committee pursuant to Standing Order 42(3A).*

## **APPROPRIATION BILL 1993**

### **Resumption of debate on Second Reading which was moved on 3 March 1993**

CHIEF SECRETARY: Mr President, I would like to start by thanking all Members who have spoken in this Budget debate. Contributions were lively and wide ranging with references to human rights in Israel and Brazil as well as the more parochial subjects such as transport arrangements in Tuen Mun. We have taken to heart Members' views that we should try to deal with all points raised by them. I am not quite sure whether we will achieve that 100%, but we will do our best. The star of the occasion is of course the Financial Secretary who will come on stage last to wind up for the Administration.

#### *Debate on political reform*

I have noted that some Members have expressed concern about the possible effects on the economy of the debate on political reform. Some have suggested that we should somehow take more account of this in our planning and budgeting.

There is no denying that there is some unease on this subject in Hong Kong's community at this time. This is an inevitable result, perhaps, of the criticisms we have had in recent weeks and months from Peking and their local spokesmen. And it is natural that this Council should reflect that worry in the community. I would like to address this worry, which I profoundly hope is unjustified.

Before doing so, I should stress that in line with the famous pragmatism of Hong Kong, what we all want is calm, rational discussion. I think most people in Hong Kong would understand and be able to live with a degree of debate on

political issues. Indeed, on matters where there are differences of view in any community, this is natural and healthy. But, whilst that debate continues, we must get on with the work of sorting out other problems, not remotely connected to politics, in a serious and pragmatic manner. And in the years facing us there is much real work to get on with.

I think what is really worrying people now is the idea that, as part of pushing forward their views on the political matters under debate, the Chinese Government may extend action into other, unrelated areas, particularly the economy, areas which affect everyone's livelihood, developments which will benefit everyone and projects which are part of Hong Kong's future foundations, necessary for continued prosperity and stability. These are matters which should have nothing to do with politics. Yet I sense the community feels that other matters are being pulled into the political debate where they do not belong, and in a way that can only damage Hong Kong.

And those people who are worried can point their fingers at various areas of concern.

For example, they can point to the Memorandum of Understanding on the Airport, signed by the two Prime Ministers in September 1991. In that document the Chinese Government pledges its support for the airport projects. It is now a year since we consulted them on the overall financing plan in the agreed way, but there is as yet no prospect of agreement in sight. People justifiably wonder whether the issue is being considered on its merits, or whether it has become a bargaining chip in a different game.

Another example is the land grant for Container Terminal 9. This was processed through the Land Commission in exactly the same way as its predecessor, CT8. It was settled and agreed. Then doubts were cast on the development. Again, people wonder whether the matter was raised for reasons to do with the project itself.

Yet others expressed worries about franchises spanning 1997 or, more recently, the Land Disposal Programme. Are these, purely economic matters, also being drawn into the political debate too?

I do not believe it is in China's interest to damage Hong Kong's economic prospects — in fact, quite the opposite. The Chinese Government have said as much themselves. I take some encouragement from Mr LU Ping's comments last week that there is a lot of business to be discussed and we should get on with it. Those views were echoed by an NCNA official yesterday. They are our views too and we are continuing to propose to the Chinese side that we do indeed get on with it. It can be to no party's interest to take action that undermines Hong Kong's stability and prosperity, and I do not believe anybody should ever want to do so.

Let us not forget what the Joint Declaration has to say on this subject. In paragraph 4 of the Joint Declaration, the British and Chinese Governments declare that during the transition period up to 30 June 1997, the British Government will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and stability; and that the Chinese Government will give its co-operation in this regard. Both the British and Chinese Governments have said, and continue to say, that they will abide by the Joint Declaration.

For our part the Hong Kong Government will continue with our endeavours to maintain and further Hong Kong's stability and prosperity. Our determination and some of our concrete measures can be seen from the Financial Secretary's Budget. We are prepared to do whatever we can to co-operate with China to realize our joint commitments under the Joint Declaration. I hope that China demonstrate in concrete action their part of the joint commitment is being met.

Mr President, I would now like to turn to a few other issues raised by Members.

#### *Legal aid*

Mr Simon IP has spoken on our legal aid services. He has highlighted the need to review regularly the eligibility criteria and the adequacy of funding. He has also repeated the proposal for an independent legal aid authority.

As I mentioned in the Council on 16 December 1992 in reply to a question from Mr IP, the Government is conducting a comprehensive review of the law, policy and practice governing the provision of legal aid services in Hong Kong. We have looked into a wide range of issues, including the means limit for legal aid applications and the legal profession's proposal for an independent legal aid authority. The work is progressing well and we are about to consult the legal profession.

Without prejudging the final outcome of the review, I must however urge Members not to presume that the proposed establishment of an independent legal aid authority is necessarily the best and most viable option to improve the system.

#### *The Judiciary*

Several Members have spoken on the need to improve the administration of the Judiciary, which is of course primarily the responsibility of the Registrar, Supreme Court under the supervision of the Chief Justice.

Members have reflected in this Council the community's frustration with the long court waiting times, inadequate court interpretation and recording services and the lack of a modern management approach. We share these concerns and are working hard with the Judiciary to try to improve the situation.

I have noted the call from some Members for the appointment of a senior Judiciary Administrator as a move to strengthen the Judiciary's administration. We believe that the appointment of a high level Judiciary Administrator, who has had proven skills and experience in top level management, is necessary to bring about a new approach in the effective management of the Judiciary to meet current-day requirements. The operating environment of the Judiciary in the 1990s is proving to be very difficult and different, given the increasing volume and complexity of cases before the courts, the increasing legal awareness of the community and rising public expectations about the standard of service provided by the Judiciary. A new management culture is needed and greater expertise in resource and functional management is essential. The appointment of a professional administrator to take charge of management in the Judiciary under the direction of the Chief Justice is the first step to achieve improvements. This proposal has now received the support in principle of the Chief Justice and I am confident that we should be able to announce definitive plans very soon.

#### *Efficiency of the Civil Service*

Some Members emphasized the importance they attach to efficiency in the Civil Service. We share their objectives. For this reason the Efficiency Unit is developing the concept of programme management in government departments. A key feature will be ongoing reviews of activities in departments to ensure that targets are achieved in a timely and cost-effective way.

Another initiative now well under way is the Performance Pledges Programme. This too will help to ensure that we provide our customers, the community, with the best services we can. Our aim is that most departments serving the public will have made their initial pledges within this year 1993; and that all should have done so by mid-1994.

We are keen to use performance pledges to build on the existing extensive network of contacts between government departments and their customers. We will do so through users' committees and user surveys. Over time this will ensure that our customers have a greater say in the way in which our services are offered.

Forms are an essential feature of the work of government departments. A comprehensive review of forms used by the public is now under way. So far, seven departments have completed their review of some 600 forms, of which 25 have been abolished and 187 have been improved.

Civil servants take pride in their commitment to providing the best quality of service they can. We will continue to promote an environment in which each individual can give of his or her best in meeting the needs of their customers.

Mr President, in closing, I would like to pay a tribute to my senior colleagues who appear regularly in this Chamber and in its committee rooms, to brief members, to answer their questions and, more increasingly in recent years, to take part in the rough and tumble of political debate. It is worth remembering that none of us joined the public service thinking we would need to become politicians, as well as administrators. But in the absence of Mr Andrew WONG's preferred solution of a ministerial system, politicians we have had to become. No one should underestimate the additional burden this has placed on senior officers, particularly the Policy Secretaries. On average they spend 20% of their time on Legislative Council business. I could not say that we have accepted this new dimension to our work joyfully. But I can say with real confidence that all of us readily understand that accountability and openness are an essential ingredient of any democratic system; and I can pledge to Members that in serving the people of Hong Kong, we in the Administration will do our very best to uphold the principles of openness, fairness and accountability.

Mr President, I support the motion.

ATTORNEY GENERAL: Mr President, Mr Moses CHENG and Mr Simon IP spoke about the pace of localization of the Legal Department. Progress in localization over the past few years has been encouraging. At the Senior Crown Counsel level, the Legal Department now has 77 local lawyers out of a total strength of 141. At the directorate level, we now have 10 local officers out of a total of 53. Five years ago, the corresponding figures were, for Senior Crown Counsel, 20 local officers out of a total of 100, and for the directorate, three local officers out of a total of 43.

So while much is still to be done, we have come a long way in our progress towards localization. In the past, a key obstacle lying in the way of localization was the fact that private practice in Hong Kong was in general much more rewarding in monetary terms than government service. This created difficulties for localization in the Legal Department in two ways. First, it meant that very few local lawyers would want to leave private practice to join the Department. Secondly, it meant that we had difficulties in retaining our young local counsel, as many were tempted to leave government service soon after their training was completed.

Recognizing all these problems, we introduced the Double Ladder Scheme in December 1988 to help retain local counsel. This scheme allows local Crown Counsel who have identified potential to reach Senior Crown Counsel early on their careers. The terms and conditions offered to those promoted under the Scheme are attractive when compared with those available to lawyers in the



private sector with similar years of service. The Scheme has had a notable success in helping the Legal Department to retain local lawyers and the wastage of local counsel has dropped dramatically in the past few years.

To speed up localization of the directorate in the Department, the Development Posts Scheme was introduced in June 1991. The objective of that Scheme is to groom able local Senior Crown Counsel so that they can compete more effectively for promotion into the directorate. Those selected undergo a grooming period of about 18 months, including a six-month training attachment outside the Department, and a period of 12 months of different postings within the Department to widen their experience. Owing to its relatively short history and the length of the grooming period involved, the Scheme is yet to exert its full impact on localization of the directorate. Mr Simon IP has rightly pointed out in his speech that to date only 18.9% of directorate officers in the Department are locals. I would like to see that figure substantially raised in the coming years and I am confident that the Development Posts Scheme will assist in achieving this goal.

The Department takes great care in monitoring the Double Ladder Scheme and the Development Posts Scheme to ensure that they are effective and can meet staff expectations and the changing circumstances of the legal profession. Both Schemes are to be reviewed this year by an inter-departmental working group.

I now turn to the subject of cost control. In the course of the debate, Mr Moses CHENG emphasized the importance of financial control and efficiency, and the need to monitor and regulate the fees that the Government pays out for professional work. In view of these comments, I think it will be helpful for me to explain the criteria and procedure for briefing legal work out and the way in which fees are monitored and controlled.

I shall begin by explaining briefly the criteria for briefing out. In general, the Department briefs out work:

- (i) when there is a need for expert assistance;
- (ii) when there is no suitable in-house counsel to appear for the Government;
- (iii) when there is a need for advice on proceedings in those rare occasions involving members of the Department in conflict or dispute with the Government;
- (iv) when there is a need for continuity and economy which in some cases can be better achieved by briefing out; or
- (v) where the size, complexity, weight and length of a case so dictate.

The majority of cases briefed out are criminal prosecutions. The Director of Public Prosecutions keeps lists of barristers who have expressed interest in undertaking prosecutions work for the Crown and who are considered to have the necessary ability and experience at the relevant level. When a case is to be briefed out, the normal procedure is to choose counsel on the basis of rotation and availability. Occasionally, counsel will also be selected because of his or her special expertise in a particular area, such as commercial crime. The fees payable in prosecutions cases are in most cases subject to a scale which applies equally to the Legal Department and the Legal Aid Department and which has been approved by the Finance Committee. Different scale fees are applicable to cases in different courts and naturally the scale in the High Court is more expensive. These scale fees are sometimes increased where the case in question merits it. For example, a major fraud case in the High Court may well attract fees above the scale fees, particularly if prosecuted by leading counsel. It is rare for fees to be increased in the Magistracy but occasionally this happens in the District Court where the offence is serious and the trial is long and complex. The approval of the Director of Public Prosecutions is required for any departure from the scale fees.

The Crown Solicitor also keeps a list of barristers who are willing to accept instructions from the Crown in respect of civil matters. Counsel wishing to be included in this list are asked to state their areas of practice and their usual level of fees. They are then selected for inclusion on the list on the basis of their ability, experience and level of fees. Because of the comparatively small amount of civil work briefed out and its often highly specialized nature, it is not practicable to brief civil work out to counsel on the list on a rotation basis. Rather, the choice of counsel for a particular civil case is based on ability — having regard in particular to counsel's areas of practice, availability and the level of fees charged. Although there is no agreed scale of fees for civil work, the Crown Solicitor himself approves the level of fees for each civil matter that is briefed out.

In addition to barristerial work, the Legal Department also briefs out some solicitors' work in accordance with the criteria I have just explained. The Civil Division has over the last year been aiming to reduce its reliance on outside law firms and, with the exception of a few minor cases, no new solicitors' work in civil matters on behalf of the Crown has been briefed out in the last few months. The solicitors' work in respect of prosecution cases is rarely briefed out. Given the small number of cases in which solicitors' work is briefed out and the fact that the work is sometimes very specialized, only a few firms of solicitors are able to undertake this work for the Crown. A firm will only be approached in respect of solicitors' work if its competence and experience in the relevant area of practice and its level of fees charged can withstand critical scrutiny by the Director of Public Prosecutions or the Crown Solicitor.

It has been suggested that the Government may be able to achieve some savings in respect of the briefing out of solicitors' work if a system could be introduced whereby firms are invited to bid for this work on a competitive basis. I am grateful for this suggestion and will examine it carefully.

I would lastly like to turn to the wider use of information technology in the Government which was also referred to by Mr Moses CHENG in the course of this debate. The Legal Department has already made considerable progress in this respect. All Ordinances and subsidiary legislation are now stored and updated on our in-house database, and can be retrieved or searched in a matter of seconds. There are also other databases within the Department relating to the work of individual Divisions. Training courses relating to the use of all these databases are regularly held for members of the Department. So far, the introduction of modern office technology has been ad hoc, in response to the needs of each Division. A comprehensive and coherent plan for office automation and information technology would undoubtedly enhance the Department's productivity and efficiency. With this in mind a comprehensive Information Systems Strategic Study is underway in my Department. I look forward to the results of that study later this year.

With these remarks, Mr President, I support the motion.

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the Appropriation Bill 1993 provides substantially increased funding for education. Its passage will enable us to move forward on our comprehensive and coherent package of policies to improve the quality of our schools education. It will enable us also to continue with our tertiary expansion programme and to enhance support for academic research. The way ahead is exciting as well as challenging.

I am grateful to Honourable Members for their strong support for our initiatives in the area of education. As might be expected, there are suggestions that even more should be done in some specific areas. I appreciate the constructive spirit in which these suggestions have been made. The Administration will consider them seriously and will maintain the on-going dialogue with those concerned.

Some Members have noted that many countries with a *per capita* Gross Domestic Product (GDP) comparable to ours spend a greater proportion of their GDP on education than we do. I do not dispute this. Different communities ascribe different roles to their public sector, and this is reflected by other indicators as well. For example, in terms of tax receipts as a percentage of GDP, Hong Kong registered 13% in 1992-93. By comparison, the figures for 1989 were 46% for the Netherlands, between 30% and 40% for the United Kingdom, Italy, Spain, Australia and New Zealand and 17% for Singapore. In each case a broadly comparable percentage was recorded for the relationship between total public spending and GDP.

I might add that greater spending does not necessarily produce proportionately better results. All the evidence suggests that, on the whole, Hong Kong students do very well internationally.

The quality of education does not depend on money alone. We all recognize that teachers have a pivotal role. The whole thrust of Education Commission Report No. 5 was to seek to ensure that we have enough teachers of the right calibre to produce the results we desire. We are working purposefully towards improving the preparation of teachers and fostering a more supportive working environment to help them do their job more effectively. We have taken an important first step in appointing the Provisional Governing Council of the new Institute of Education. We have earmarked resources over the next few years for the Institute's development. In the meantime, we are trying to recruit more of the right people into the teaching profession, particularly teacher trainees in the Colleges of Education. There is no question of our being prepared to lower entry qualifications or other standards, but there is scope for applying the requirements less rigidly so as not to exclude candidates who have good potential to be successful teachers.

Turning to specific issues, several Members have expressed a wish to see us move towards the full subsidization of kindergartens. Indeed, I am mindful that the Council has passed a motion on 3 February urging the Government to do this. In the debate on that motion, I described the Government's plans to provide increased support to kindergartens, mainly through the fee remission scheme. I also undertook to consider, with an open mind, proposals for a scheme to supplement kindergarten teacher salaries, and for kindergartens eventually to be brought within the scope of subsidized education. Detailed examination of these proposals has started in earnest, but they do have substantial policy as well as financial implications which will take time to think through.

On whole-day schooling, I must set the record straight yet again that Education Commission Report No. 4 (ECR 4) never recommended turning all primary schools whole day in 14 years. The Government's policy is to encourage existing bisessional primary schools which can turn whole day to do so, by providing them with additional teachers and better senior teacher ratios. We have also undertaken to operate new primary schools on a whole day basis whenever possible. But we continue to think that it would not be realistic to commit ourselves at this juncture to a firm timetable for full scale conversion.

May I also say a word about floating classes. I said in this Council on 28 October last year that I shared Members' concern over floatation at Secondary V and below, and would see how this could be reduced. Action has since been put in hand to address this issue, as detailed in a written reply given by the Director of Education to one of the questions asked by Members on this year's Draft Estimates. But I also said that the Government viewed floatation at Secondary VI and VII differently, given that the students are more mature,

classes are smaller and small group teaching using special rooms is very much a fact of life at these levels and beyond. That remains my position.

I turn now to the employment programme, on which many Members have commented in this debate. A major focus of attention is the Employees Retraining Scheme. The Government is fully seized of the need to maximize our limited manpower — and womanpower — resources. I entirely agree that, as a long-term strategy, we should seek to upgrade the skills of our local workers so that they may take up the better paid jobs. This is precisely what we have been aiming to achieve through expanding our educational and vocational training opportunities. For the time being, however, there is within our workforce a proportion of workers whose age or educational background may limit what they can be trained for. In many ways, it is this group of workers who need most help. It is right that we should give them priority in the Employees Retraining Scheme, at least initially. When the Scheme has become more firmly established, we might well be able to aim for more.

I accept that the Employees Retraining Scheme has so far made only a modest start. But a major new initiative is imminent. The Employees Retraining Board has decided to launch a new scheme under which participating employers would engage the retrainees and give them on the job training. The Board would pay the retrainees an allowance for a specified period and the employers would make up the difference between the allowance and the appropriate market wage. We believe that this arrangement would encourage the employers and the retrainees to stay on with each other after retraining. Naturally, priority will be given to employers in those sectors where there is the greatest demand for workers. Judging from the enthusiastic initial response of employers, we believe that the new scheme will benefit many more local workers than before.

Even with greatly expanded retraining, however, we are likely to have to continue to supplement our local labour supply from outside to provide scope for further economic growth. Indeed, experience elsewhere suggests that, in the longer term, there will probably be jobs that local workers would not wish to undertake because they are beneath their skills and expectations. We shall continue to monitor the labour market situation closely and adjust our labour importation schemes as appropriate. We will continue, as always, to take all necessary steps to safeguard the interests of our own workers.

On other employment-related matters, several Members have suggested that our proposal to offer additional compensation to pneumoconiosis sufferers diagnosed before 1981 does not go far enough. They would like to see the same treatment for pre-1981 and post-1981 cases alike. The fact is that, when compensation for pneumoconiosis was first introduced in 1980, on the basis of a levy on the industries most directly concerned, a conscious decision was taken to limit its cover only to persons diagnosed after 1 January 1981 to be suffering from that disease. Those diagnosed before 1981 received a one-off *ex-gratia* payment from the Government. We are now drafting legislation to improve the

compensation arrangements under the Ordinance but we cannot extend these arrangements to pre-1981 cases. In proposing to put up \$100 million to give them additional and life-long compensation, the Government is making a genuine effort to improve the lot of the pneumoconiotics diagnosed before 1981. I hope we shall receive the Council's support.

Concern has also been expressed about the adequacy of the proposed scheme to assist victims of work-related accidents. We judge from past experience that the proposed injection of \$10 million should be sufficient. The scheme is to provide interest-free loans to help the victims tide over their difficulties while waiting for the payment of the employees compensation that is legally due to them. We expect that, with very few exceptions, these loans will be repaid and that, therefore, the fund will essentially be of a revolving nature.

Finally, a word about retirement protection. I am grateful for the enthusiastic response from members of the public to our consultation paper on a community-wide retirement protection system. The volume of submissions has been such that we have only just completed an initial collation of the public response. We will now begin to examine that response in detail and to consider whether and how our original proposals should be modified. In this process, we shall also take full account of the views expressed by Members of this Council during the debate on this subject on 3 February. We shall work with all due despatch and will keep the Manpower Panel of this Council informed of progress.

Thank you, Mr President.

**SECRETARY FOR HEALTH AND WELFARE:** Mr President, I am gratified by the support given by many Honourable Members that the boost to health and welfare spending announced in the Financial Secretary's Budget speech is timely. It will enable the Government to continue delivering quality services to the community, and to embark on a number of new initiatives for improving these services. I would like to address some particular concerns expressed by Honourable Members and to respond to the queries raised, in the course of the debate.

### *HEALTH*

First, on health care: the fundamental principle in our health care services is that no one should be denied adequate medical treatment for want of means. This is stated in the Hospital Authority Ordinance. This has been, since 1974, our time honoured policy. Until this policy is changed, this remains our policy.

But circumstances have changed since 1974. Medical costs have increased, as have public expectations. The community has become more affluent. Thus, while the fundamental principle remains valid, there is a need for a review of the health care financing structure. This is not a question of

raising fees. What is needed is a whole new system to ensure that sufficient funds are available to meet the community's expectations for better services, while ensuring that fees and costs remain affordable both to users and to the community as a whole.

I am therefore indebted to Dr the Honourable LEONG Che-hung and to the Honourable Peter WONG for again suggesting that it is high time we overhauled the health care system. Other Members have from time to time called for a review. I intend to put forward a consultation document to this Council soon. I know I can count on your continued support.

Some Honourable Members have expressed concern on the provision of hospital facilities in New Territories East and, in particular, about the need for a new hospital in Tseung Kwan O. Let me assure Members that we will bear the needs of our community firmly in mind. The need for a new hospital must be evaluated carefully in the light of the building programme and population growth in the area, as well as the impact of services to be provided at the Pamela Youde Hospital and United Christian Hospital. We intend to conduct a full review in two years' time to assess the need for additional hospital facilities in Tseung Kwan O and, in the meantime, to explore the need for other improvements in the short term such as the provision of specialist clinics. Furthermore, the North District Hospital and Tai Po Nethersole Hospital will together provide over 1 200 additional beds for the local community in New Territories East. We are confident that with a "fast-track" design and construction programme, the project will be completed by 1997 with adequate resources to ensure timely commissioning.

I would like to point out that with the advent of advanced technology and new sophisticated treatments, the number of hospital beds is becoming less than a full indicator of the level of medical services provided. Many developed countries are already moving towards a decreasing trend of bed to population ratio due to developments in primary health care and ambulatory care. The development of a coherent interface between the public and private sector in primary health care; the introduction of pilot screening for elderly people and women, and the introduction of day hospitals and service centres are now in the forefront of our new initiatives to reduce the need for in-patient admission, and more importantly, to enhance primary health care in the community.

The Honourable Martin BARROW has asked Policy Secretaries to respond to his call for a less bureaucratic system with reduced paper work. I am happy to respond to his call. As my programme area deals with people, rather than documents, I am conscious of the need to improve efficiency and provide better service to users.

A management information system is being introduced for accounting and financial management, patients' records and inventory-keeping. Apart from increasing efficiency from the operator's point of view, computerization will bring about less paper work and therefore bring about more direct benefits to

patients. Registration, appointments, billing and drug-dispensing will be streamlined. Once all public health care facilities are networked, a patient's complete medical history will be accessible wherever that patient goes for treatment. At the same time, financial and statistical information will become more accessible for analysis and planning purposes.

Many Members have spoken on the very important issue of manpower planning for health care professionals and have asked for a set of guidelines to provide a direct linkage between service provision and resource allocation. Manpower is, indeed, a major factor that affects the quality of our health care services. However, to respond to operational and changing needs of society, we need to assess more accurately the current and projected demand for service. The Hospital Authority has taken the first step to review manpower planning. It is proceeding with detailed research and analysis on core clinical activities and patient dependency, so as to define manpower needs in relation to outcome of clinical cases as a long-term solution. Separately, and with equal importance, the Health and Medical Development Advisory Council is carrying out an overall manpower review to assess community needs as a whole.

We intend to set up an inter-departmental study group to examine the reports when to hand, and specifically to tackle the issue of perceived nursing shortage. I am particularly grateful for the comments made by the Honourable Michael HO and Dr the Honourable LAM Kui-chun on the subject. I am sure their advice will be taken on board by the study group in its deliberations.

I would also like to address a query on the rationale of reducing the total bed complement of Queen Mary Hospital from 1 800 to 1 500 upon full completion of its redevelopment plan. This is an attempt to rationalize existing and planned facilities in the light of changes in population movement, demographic structure and prevailing demands. This will help to provide a better focus of our services and resources to those in need. We are fully aware of the increasing demand for infirmary beds as a result of our ageing population. Projects in the pipeline will provide more than 1 100 additional beds by 1997. Plans are also in hand to redesignate 500 general beds as infirmary beds to cater to the demand. Furthermore, the Hospital Authority and Social Welfare Department are identifying ways to improve the interface between medical and social welfare institutions to better deliver services in the community.

Dr the Honourable Conrad LAM asked about the setting up of a Health Service Research Fund in the context of primary health care developments. As Members are aware, an amount of \$50 million has been reserved in the Budget for research not only for hospital services, but for health services as well. A committee will be appointed in consultation with the Hospital Authority and Department of Health to work out the *modus operandi* to invite and consider proposals for research.



*SOCIAL WELFARE AND REHABILITATION**Comprehensive Social Security Assistance Scheme*

I turn now to social welfare expenditure. The new Comprehensive Social Security Assistance Scheme as announced by the Governor in his annual address to this Council on 7 October 1992 has generally been well received. These monthly rates are clearly indicated in the pamphlets tabled. The rates range from a minimum of \$1,035 for a single able-bodied adult to \$4,170 per month for a family of four. In addition to these standard rates, rent and special grants are paid in accordance with needs. On average, the monthly payment for a single person is \$2,000 and for a family of four is \$5,880.

There have also been calls both inside and outside this Council for a comprehensive survey on the needs of Public Assistance recipients so that improvements could be made in future as appropriate to meet their needs. I am aware that some Honourable Members have asked the City Polytechnic of Hong Kong to undertake a study.

The Government's social security policy was thoroughly reviewed in 1991 prior to the publication of the White Paper *Social Welfare into the 1990s and Beyond*. Our policy recognizes that the needs of recipients vary from individual to individual. That is why the new Comprehensive Social Security Assistance Scheme to be implemented on 1 July 1993 will include standard rates to meet the general needs of recipients and special grants to cater for their particular needs. However, I understand Members wish for an independent study of the needs of Public Assistance recipients. We welcome the study and look forward to receiving the results.

*Backdating of the standard rates under the new Comprehensive Social Security Assistance Scheme to 1 April 1993*

Some Honourable Members have suggested that the standard rates to be introduced under the new Comprehensive Social Security Assistance Scheme on 1 July 1993 should be backdated to 1 April 1993.

I should state that the rates of payment under the Public Assistance Scheme will be increased by 9% for inflation. This will be introduced with effect from 1 April 1993. The further increases to be implemented will be real improvements over and above inflation. The earliest possible implementation date is 1 July 1993. The question of backdating does not arise and, in principle, cannot be accepted.

*Absence rules*

There have been calls for lifting the "absence rules" altogether to allow recipients to live permanently in China.

The period of permitted absence for elderly and disabled persons will be extended to 180 days. Social security schemes in Hong Kong are non-contributory and are financed from general revenue. As such, they are only intended for those in the community who are in need of financial assistance, and not for persons residing permanently outside Hong Kong. It is reasonable to expect a person ordinarily resident in Hong Kong to spend at least half of the year in Hong Kong.

#### *Capital injection into the Lotteries Fund*

Some Honourable Members are concerned about whether recurrent spending for social welfare services will continue after the \$2.3 billion injected into the Lotteries Fund is used up after 1996-97. I wish to assure Honourable Members that recurrent spending/funding for these new services will continue. Our financial forecasts show that the General Revenue Account will be able to absorb the recurrent cost of services funded by the Lotteries Fund when the capital injection is exhausted after 1996-97.

#### *School social work*

There has been persistent pressure from Honourable Members, social workers and school principals to improve the manning ratio of the school social work service. Recent cases of youth suicides and misuse of psychotropic substances and alcohol by young people have been widely cited as justifications for more school social workers.

Youth suicide is a problem that vexes many countries. Hong Kong is no exception. Youth problems are very complex issues. Young people face many pressures at home, at school and in their personal lives. The concerted efforts of parents, teachers, peers and school social workers are necessary to address these problems. The need for a more comprehensive, multidisciplinary and integrated approach is recognized.

#### *Changing needs*

We live in changing times. We must move forward with the times and improve the quality and scope of our services. In this respect, we will update our targets regularly to ensure that they meet the changing needs and aspirations of the community.

#### *Battered wives*

I was concerned with the problem of wife abuse, debated in this Council earlier this month. Some Honourable Members are concerned that we are not providing adequate services to battered wives. The Wai On Home for Women and Harmony House provide temporary accommodation for battered wives and their children. These two shelters are seldom full. The facts speak for themselves.

For the last three years, the average daily utilization of the Wai On Home for Women, run by the Social Welfare Department, was 30.4, 35 and 24.4 respectively. For the same period, the daily average utilization of Harmony House run by a non-governmental organization was 25.7, 23.9 and 33.2 respectively. The statistics all indicate that the problem is not getting out of hand.

However, no matter what statistics tell us, we are not complacent and will remain vigilant as it is possible that domestic violence is much under-reported. Incidentally, while we believe battered women should receive protection, let us not forget that for every battered wife there is a husband who also needs counselling. The importance of family services counselling should not be lightly dismissed or forgotten.

#### *Women*

We in the Government attach great importance to ensuring equality of women in society. That is why we have undertaken to draw up a Green Paper on the need for action to ensure equality with a view to extensive public consultation later in the year.

#### *Senior citizen card*

Some Honourable Members, notably the Honourable Martin LEE and the Honourable Emily LAU, have suggested that a senior citizen card should be issued to persons aged 65 and over to facilitate public transport operators and other companies in introducing concessionary fares and discount rates for elderly people. I think that this is a good idea. We will see what we can do to help introduce such a scheme but, to be effective, we need community support, without which a card is but a card.

#### *Local objection to rehabilitation facilities*

I would like to take today's opportunity to thank, once again, the Legislative Council Panel on Welfare Services for reaffirming its unanimous support for the setting up of rehabilitation facilities at Tung Tau Estate and near Laguna City. I would like to register my gratitude to all parties concerned for their understanding and support.

While we cannot compromise our basic principle of integration and while we proceed with the projects, we are, nevertheless, reaching out to those who object in an effort to find practical ways to dispel their anxieties. Our door is always open and we are ever ready to help.

#### *Public education*

I thank Dr the Honourable YEUNG Sum, the Honourable FUNG Kin-kee and the Honourable CHEUNG Man-kwong for highlighting the importance of

community education. Sustained public education is, and will continue to remain, an integral part of our strategy to achieve full integration for persons with disabilities.

Over the last decade, we have launched a wide range of public educational activities. We will intensify our effort. A "Fun Day of Togetherness" will be held on 11 April 1993 at 2:00 pm in Kowloon Park to kick off the campaign this year. I look forward to the community's participation and encouragement. I would like here to enter a plea that we as a community should do what we can to care for the less fortunate members of our society. We can together make a difference.

Mr President, I would like to conclude not only with a vote of thanks to all Council Members for their support and advice, but also with an apology to the poet laureate of this Council, the Honourable David LI:

The boost to funding is rarely huge.  
Thanks to Santa or to Scrooge.  
We care for the sick and love the poor.  
But, always we ask for a little more.  
We'll meet our targets, to the letter.  
Tomorrow will be surely better.  
The Budget, is, a prudent notion. (*Laughter*)

With these words, Sir, I support the motion.

SECRETARY FOR RECREATION AND CULTURE: Mr President, first, I would like to say a few words on broadcasting.

Last year the Administration carried out a comprehensive review of the television industry with a view to promoting more choice of good quality television for Hong Kong's viewers. The outcome of this review has been reflected in the Television (Amendment) Bill 1993 which I hope this Council will pass later today. This provides a legal basis to the regulatory framework for licensing Wharf Cable, and we shall be looking to Wharf Cable to start broadcasting and provide more choice for viewers before the end of the year. Provision has been included in the Budget to reflect the need for monitoring this new broadcaster. Wharf Cable will provide competition for the existing broadcasters, and we can expect to see more competition when we consider opening up the subscription television market to new applicants once Wharf Cable's three-year exclusivity period has expired. This will be the next step in our policy formulation, the groundwork for which will be laid in a comprehensive Broadcasting Bill which I hope to present to this Council in the next Session.

Concern has been expressed by a few Members that the budget cut-backs over the last three years for Radio Television Hong Kong (RTHK) have resulted

in the production of fewer and poorer quality public affairs and information programmes and have affected staff morale in the department. Let me assure Members that this is not so. Whilst there has been a slight reduction in the number of hours of television programmes produced for broadcast in nonprime time hours by RTHK, the quality of RTHK's programme has remained consistently high and has more than adequately met public expectations, as is clearly reflected in recent audience appreciation surveys.

As for the total number of public affairs and information programmes shown on television, this has indeed increased. No doubt partly inspired by the popularity of RTHK's programmes, TVB and ATV have produced and will certainly continue to produce their own good quality public affairs and information programmes. These include News Magazine, Newslane, Monday Monitor, Pearl Report, Sunday Report, and so on, totalling more than three hours a week. Essentially, we look to RTHK to undertake programming that the commercial broadcasters might balk against. It is clear that in this area of programming, TVB and ATV are not baulking. Thus it is right that RTHK should now focus on areas not covered by the commercial broadcasters and go for quality rather than quantity. When the Pay TV service is launched by Wharf Cable later in the year, we will consider how RTHK can work in co-operation with Wharf Cable to produce more public affairs and civic education programmes.

On the radio side, again there is no evidence that quality has been affected. Recent seven-day listening figures for the top five radio channels are as follows:

RTHK 2	28%
CR 1	24%
RTHK 1	23%
CR 2	21%
Metro Hit Radio	12%

These figures clearly show that RTHK still maintains its leading position.

The Honourable MAN Sai-cheong bemoaned the fact that no provision is made in the Budget for the corporatization of RTHK. As I explained recently in Finance Committee, funds will be sought separately should a decision be taken to move ahead with corporatization. However, the present political climate is not opportune for a decision to be taken on this matter yet.

I am satisfied that RTHK is adequately provided for both by way of funds and staff in the Budget. Let no one be under the delusion that morale is not high at RTHK. It could not be otherwise having regard to the achievements of RTHK's radio and television services over the last two years, of which both staff of RTHK and the community at large can be justly proud.

I would now turn to other matters relating to culture. Our existing culture policy was laid down by the Executive Council in 1981. Under this policy, the Government is to focus on the development of the performing arts through the expansion of educational and community participation opportunities, and through partnership with the municipal councils. One of the key aims is to provide the necessary infrastructural support by building more cultural venues to offer greater performance opportunities for the various performing art groups.

We have made significant progress in the past decade and the policy objectives laid down in 1981 have largely been achieved. To map out the way forward, we have recently reviewed our arts policy and a report was released on 22 March for public consultation. I look forward to receiving the views and comments of the public, in particular the arts community, on the proposals contained in that report.

One of the major proposals contained in that report is that the Government should reconstitute the existing Council for the Performing Arts (CPA) into an Arts Council and to expand the Council's scope to embrace the visual and literary arts in addition to the performing arts. This would certainly have far reaching implications and I would welcome public comments on this proposal. Public consultation on this report will close by the end of June when I shall then draw up a clear policy for consideration by the Executive Council around September, taking into account public views and aspirations.

Clearly, if the proposal to extend government support to the visual and literary arts finds favour with the public, more government funding will be needed. The \$30 million grant to the Sir David Trench Fund to provide support for arts development will go some way to meeting this requirement. However, from a few Members' remarks, it is clear that a number of areas concerning the scope and application of this grant requires clarification. First, let me point out that although this grant is aimed at providing support to new and developing artistic groups, its ambit will be such as to enable it to cover the literary and visual arts as well. But funds to support the literary and visual arts cannot be allocated until the new policy is approved and an Arts Council is set up, replacing the CPA, to advise me on the proper disbursements of funds to these new art forms from this particular grant.

Secondly, this grant will be used flexibly and prudently to develop the arts in Hong Kong and that no deserving and worthwhile projects supported by the CPA now, or the Arts Council in future, will be turned down for want of funds. If need be, the capital of the grant may be drawn down to provide the necessary funding support to the projects.

The Honourable Howard YOUNG is concerned that small and less known performing groups engaged in activities at the community level are not being adequately funded. I agree with him that this was the case in the past, but I must say that it is not so now. In 1988 only 6% of the funds allocated to the CPA was

spent on the smaller groups. This has risen to 22% last financial year and for next financial year, the CPA intends to use up to 24.8% of the funds made available in the Budget to support new and smaller groups. This, together with the additional money made available from the \$30 million grant to the Sir David Trench Fund, will go a long way towards meeting the needs of the smaller and budding artistic groups.

Still on the subject of funding for the arts, I am a little surprised at the Honourable MAN Sai-cheong's comment that the CPA does not have clear criteria for disbursement of funds since he is a member of the CPA itself. The criteria for assessing applications are clearly set out by the CPA in a pamphlet entitled *Note to Project Grant Applications*. This pamphlet clearly spells out the criteria and I shall be happy to send a copy to Mr MAN if he has not yet got one.

Lastly, on the question of job prospects for graduates from the Academy for Performing Arts (APA), let me assure the Honourable Howard YOUNG that there is no cause for concern. According to a survey carried out by the APA in 1989, over 90% of its graduates had found employment in arts-related jobs. Although no follow-up surveys have been undertaken since, there is good reason to believe that the increase in the number of professional and semi-professional performing arts companies and the fast development of the TV and film industries in recent years, have provided ample job opportunities for our APA graduates.

Finally, Mr President, I would like to say that this Budget also confirms the Government's commitment to improve and develop sports in Hong Kong. A grant of \$100 million is proposed for the development of Hong Kong's athletes to prepare them for participations in international sporting events in the next few years. This one-off grant will be placed in trust with the Hong Kong Sports Development Board to be used by the Hong Kong Sports Institute to build on the momentum so far gained in elite athletes training. The money will be used for improving and expanding the current sports scholarship programmes, for raising the standards of coaching, for more intensive local and overseas training, especially for those sports and athletes with medal-winning potentials, and for supporting services such as sports science and sports medicine. These programmes will be crucial to the development of our young athletes in preparing them for international sporting events in the years ahead, including the Commonwealth Games and the Asian Games in 1994, and the Olympic Games in 1996. I am sure with this additional funding to sports, we can look forward to much better performance by our young athletes in international games in the next few years, and can expect to see them coming home with more medals, thus raising Hong Kong's profile in the international sporting arena.

Mr President, I consider that this is a good Budget for culture and sports for Hong Kong providing additional resources for new initiatives to be taken in these programme areas. It should therefore be welcomed by the arts and sports communities. Thank you.

SECRETARY FOR SECURITY: Mr President, as a number of Members have pointed out, the Police Force plays a vital role in ensuring that security, stability and order are maintained in our community. We must ensure that adequate resources are provided to enable it to fulfil this role. The 1993-94 Estimates of expenditure for the Police Force amount to \$7.3 billion; this represents about 6% of total government expenditure.

The Force is 27 000 strong and about 86% of its expenditure is on personal emoluments. We must therefore also ensure that the very substantial resources allocated to the Force, in particular its manpower, are used effectively.

With this objective in mind we started a management review of the Police Force last year. Part of the review, conducted by an outside consultant on the top management structure, has been completed and the Commissioner of Police is looking at the recommendations to see if any changes are necessary. Another part of the review, relating to the manning and establishment of the Force as a whole, is continuing. We will be looking critically at whether all the tasks the Force is doing should properly be done by police officers and, if so, whether there are better or more efficient ways of doing this work. We hope that this review of police manning levels can be completed at about the end of this year. The aim is to make the most efficient use of the resources available; it is not to save money. Any savings identified in the reviews will be available for redeployment to meet proven needs elsewhere in the Force and to improve the quality of service to the public.

There are no grounds for concern that the slight reduction in police expenditure this year, when compared with last year, will undermine the Police Force's ability to fight crime. Last year, there were a number of items of exceptional capital expenditure, for example payments of over \$200 million for new police launches. Such exceptional expenditure is not necessary each year.

Disregarding these items, overall expenditure this year shows a real increase of over 4%; expenditure on police officers deployed on law and order duties will increase by 5% in real terms.

The same is true of resources allocated to the Force for gathering intelligence. The reduction in the Rewards and Special Services vote can be attributed to the run down of the Special Branch. If this is discounted, then there will in fact be an increase of 11% in expenditure on criminal intelligence.



Some Members have expressed concern about police manpower. The current strength of the Force stands at some 27 000. There has been a steady increase in strength over the past year, and the vacancy rate is now only 1%. This is the result of an improvement in recruitment and retention over the past year. The number of junior police officers recruited in this financial year is 23% up on the previous year. Wastage has also declined significantly. I believe that housing is a major factor in retaining staff and reducing wastage. We are therefore taking steps to reduce the waiting time for quarters for married junior police officers. Some 410 units have been acquired over the last 12 months and I expect that some 1 300 more units to be available in the next three years. We shall then be very close to being able to make available housing to all married officers.

We are also pursuing a number of new initiatives to boost police manpower on the streets. These include releasing police officers from tasks which should, more correctly, be performed by other departments. For example, 60 police officers will be redeployed next month from prisoner escort duties, when the Correctional Services Department takes over this task. Initiatives of this sort, together with the release of the police from Vietnamese camp duties and the continuing net increase in strength, mean that we are well on our way towards putting on the streets the 800 extra policemen pledged by the Governor in his address to this Council last October.

The Hong Kong Police Force has an excellent record in preventing and detecting crime. So far this year, the detection rate in respect of violent crime, including robbery with firearms, has improved over the same period last year. Modern equipment has helped the Force to achieve this improvement, and this will continue. A total of \$526 million has been approved for the police to implement over the next few years an Information Technology Strategy. This will, among other things, cut down the time and manpower devoted to repetitive manual tasks and speed up communication. It will greatly improve productivity. When fully in place, some 570 posts will be available for redeployment to other police duties.

Mr President, I am grateful to Members who have spoken in support of the police, and I agree entirely with their point that the police need to be given adequate resources to carry out its duties effectively. I am sure that the provision for 1993-94 is adequate for this purpose. We are also committed to ensuring that the resources are used in an efficient manner with the aim of improving productivity and the service provided to the public. We are working closely with the Force to achieve this.

Thank you, Mr President.

SECRETARY FOR TRADE AND INDUSTRY: Mr President, the Government shares the views expressed by Members last week about the importance of a strong industrial base in Hong Kong: it creates wealth through exports; it still provides employment for a substantial proportion of our working population; it contributes to the diversification of our economy, allowing for flexibility and adjustment; it is an important user of services in other sectors; and, in providing a stimulus to industrial development in economies within the region, it creates new users of Hong Kong's financial, technical and export services. That is why we are continuing to invest heavily in Hong Kong's infrastructure in order that manufacturing businesses may function more efficiently. And that is why we are providing services which enable industry to become more competitive.

Where physical infrastructure is concerned, apart from our investment in areas for which other Policy Secretaries are responsible, such as roads, in the last three years, the Government has committed over \$1,600 million in specific projects to help industrial development. These include:

- a loan of \$900 million to the Hong Kong Industrial Estates Corporation for the development of the third industrial estate in Tseung Kwan O;
- a grant of \$250 million and a loan of \$188 million for the construction and operation of a technology centre to provide accommodation and services for small and start-up high technology businesses; and
- a loan of \$255 million for the construction of the Hong Kong Productivity Council Building.

Industry will also benefit from the construction of an extension to the Hong Kong Convention and Exhibition Centre. Such benefits will include export orders received by Hong Kong companies as a result of trade fairs and exhibitions held at the extension and the absorption of new knowledge and ideas brought to Hong Kong through the holding of conventions and exhibitions.

For human infrastructure, the Secretary for Education and Manpower has just described the measures that are being taken to ensure that the level of technological literacy in Hong Kong continues to improve through effective educational programmes in schools and post-secondary institutions, as well as through the various part-time and professional training programmes. Our workforce is our most important asset; our continued economic success is dependent on making sure that our workers have the skills to match changing market requirements.

The Industry Department, the Hong Kong Productivity Council, their subsidiary organizations and the Hong Kong Quality Assurance Agency will continue to provide a comprehensive range of services to industry to encourage and assist productivity growth, quality improvement, product innovation and

introduction of new technology. Many of these services are directed at the needs of small to medium size businesses. They introduce new technology, new production techniques, provide staff and management training, and provide quick access to information that smaller companies do not have the resources or expertise to provide for themselves. These services are constantly being assessed and adapted to meet industry's changing needs.

To strengthen the technological capability of our industries, last month we launched the \$200 million Applied Research & Development Scheme to encourage research and development in the private sector. We shall continue to provide funds to the tertiary institutions for academic research and development and to train the technologists who will be the next generation of industrial innovators.

Hong Kong has benefitted from the import of technology in the past and is bound to continue to rely on the adaptation of overseas technology in the future. The Industry Department, through its inward investment programme, will continue to attract overseas investors who can bring in useful technologies. We expect the cumulative value of overseas investments at the end of 1992 to have increased by over 10% from the \$34 billion at which it stood at the end of 1991. This continued flow of overseas investment suggests that the programme is achieving some success and that Hong Kong continues to have much to offer to new and diversified industrial projects from overseas.

The Government recognizes that in a time of rapid structural change in the economy, it is important to assess and adapt its support and services for industry to ensure that they continue to enhance competitiveness and development. The Industry Department undertakes a programme of studies to examine what the infrastructural, technological and market constraints on industrial development are and how they can be overcome. Five such studies were completed in 1992-93. Another six studies will be commissioned or completed in fiscal year 1993-94. The projected phasing of expenditure on these studies is such that less expenditure will be made in 1993-94 than in 1992-93. This is the sole reason why the Industry Department's budget for 1993-94 is a fraction smaller than that for 1992-93. We have not, as was suggested by one Member, cut back on our allocation to the Industry Department.

Some Members have again urged us to allocate more resources for industrial support activities, including research and development. It was in response to this and to similar pleas from members of the Industry and Technology Development Council that the Financial Secretary said in his Budget speech that our review and rationalization of the Trade Development Council's funding arrangements might well enable us to increase the funds for supporting industry.

The Industry and Technology Development Council whose chairmanship was taken over by a non-official earlier this year will be advising us on the use of the additional funds and on priorities for the use of the existing resources allocated to the industrial support programme.

Mr President, the objectives of our policy on industry are that there should be minimum intervention in the market place but maximum support for industrial development. This support comes through a low and stable tax regime, the development of our physical and human infrastructure and the creation of an extensive range of institutions, services and programmes targetted at different areas of industry to help innovation, technological development and to remove impediments. This support programme has been developed in close partnership between the Government, organizations in the private or non-government sectors, industrialists, workers and this Council. I look forward to your continued support.

Thank you, Mr President.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

*Environment*

I would like to thank Members for the encouraging support they have given to our environmental protection efforts, and to the High Priority Programme within the sewage strategy and the Polluter Pays Principle in particular.

*Sewage strategy*

The High Priority Programme — I hope any confusion over the terminology and funding has been removed by the clarification I offered after the recent Finance Committee meetings — is a significant part of our 10-year sewage strategy. It will provide, by 1997, the principal sewage collection and treatment system for over 70% of the total waste water discharges in the territory, or the 1.5 million cubic metres of sewage generated in the densely populated areas around the harbour every day. Although the Programme basically covers the districts surrounding the harbour, including Tsuen Wan/Kwai Tsing, Kowloon, Tseung Kwan O, Hong Kong Island East, and Central/Western/Wan Chai West, all of us in Hong Kong will benefit from a cleaner harbour.

I would like to explain briefly the position as regards consultation with China on the sewage strategy. Although the High Priority Programme will bring about significant improvement in harbour pollution upon its substantial completion in 1997, we will still need to discuss with the appropriate Chinese authorities the implementation of later phases of the strategy, in particular the

oceanic outfall which will provide cost-effective and long-term disposal arrangements for treated effluents, including those dealt with locally initially under the High Priority Programme. Substantive discussions are not possible yet, however, because we have not reached that stage yet. But regular contacts on the engineering and environmental investigatory aspects of the project during the current planning stages are being maintained at the operational level and through the Joint Hong Kong-Guangdong Environmental Protection Liaison Group.

These have so far proved very workmanlike, as one might expect. Although the connexion is only indirect, it is convenient to mention here that the same is true of our contacts with our Chinese counterparts over another long-term project mentioned in this debate — the Shenzhen River improvement scheme. Our discussions on the engineering and environmental aspects of that project are progressing.

I wish to emphasize that the Government's commitment to the High Priority Programme does not mean that sewerage improvement plans for other parts of the territory are not being pursued. Quite the contrary, the four secondary treatment works we have are all located in the new towns. Substantial investment in other major sewerage schemes in the New Territories is also under way:

the Northwest New Territories Sewerage Disposal Scheme (at \$1.1 billion), the Tolo Harbour Effluent Export Scheme (at \$930 million), and the Tseung Kwan O Sewage Treatment and Disposal Scheme (at \$840 million) are among them; and about \$380 million worth of sewerage improvement works will start soon in Tolo and Port Shelter.

*Polluter pays — sewage charging*

The new programme of sewage services will require the community's involvement in its funding arrangements. As we all contribute to water pollution, it is only reasonable that we should all contribute to the cost of the solution. This is firmly in line with the Polluter Pays Principle for which Members have also expressed general support. Many modern communities are applying the principle and paying sewage service charges. Hong Kong should be in this league of the enlightened. To help keep charges at a reasonable and affordable level, as the Financial Secretary has said, the Government will provide \$4.9 billion for the implementation of the High Priority Programme, including \$1 billion for urgently needed sewerage works in the Central/Western/Wan Chai West areas.

We are working out the impact of the Government's increased capital injection on sewage charges and expect to consult Members of this Council, the Environmental Pollution Advisory Committee and the public widely on our proposals for these as soon as possible. I hope that Members' support for the

PPP by which I mean of course the Polluter Pays Principle will not waver at that time.

Concerning the declaration of the remaining water control zones, which are Victoria Harbour and the Eastern and Western Buffers, in case anyone has any problem with definition here, I would just like to say that the Eastern and Western Buffers referred to here are not elderly gentlemen from different ends of the globe but areas of waters at either end of the harbour. These zones were rescheduled for 1993 in the 1991 review of the Environment White Paper and preparations are in fact in hand to declare the two buffer zones in accordance with this revised timing in the middle of this year. The Victoria Harbour control zone will now be declared in three phases in 1995, 1996 and 1997. This stretching of the programme is unavoidable, but the introduction of controls on chemical wastes and the implementation of sewerage master plans in the meantime will bring about significant improvements in water quality in the harbour ahead of the declaration of the zones in any case.

#### *Chemical waste*

May I now turn to the disposal of solid wastes, Mr President? A new study on charging for the treatment of chemical waste has just been completed. We hope to be able to recommend an equitable and acceptable charging scheme in the very near future. Work on a general charging scheme for the disposal of privately collected waste at landfills is also at an advanced stage. We plan to brief Members on this matter in April; and, of course, on both charging schemes, we will consult the public and all interested parties fully before taking final decisions.

#### *Construction waste*

On the diversion of construction waste from landfills, the Government has relaxed the requirements for disposal at public dumps and made more such sites available. We are continuing our dialogue with the Hong Kong Construction Association and aim to agree satisfactory arrangements to ensure the effective diversion of construction waste from landfills soon.

#### *Centralized incineration facility*

It has been suggested that in planning the Centralized Incineration Facility and the development of a code of practice for the disposal of clinical waste, the expertise of the medical profession should be consulted. I can assure Members that the profession will be consulted on these matters. In fact, the dialogue between the Hospital Authority and the Environmental Protection Department on the issue is continuing and will do so until a satisfactory conclusion has been reached.

*Penalties*

We share the concerns of Members that the low level of fines imposed for some environmental offences is eroding the deterrent effect such penalties were originally intended to have. We will, therefore, review the penalties specified in the various environmental Ordinances whenever other amendments to these laws are introduced, to try to ensure that the nature and seriousness of the offences are reflected. For example, under the Water Pollution Control (Amendment) Bill 1992, which was read the first time on 9 December 1992 and has been awaiting examination by the Bills Committee since, the maximum fines for discharging poisonous or noxious matters into any waters of Hong Kong would more than double to \$200,000 for the first offence and \$500,000 for subsequent offences, and a custodial sentence is proposed for more serious offences.

*Environmental education*

Public awareness and community involvement are important elements of environmental protection. This will be one of the themes of the 1993 Review of the White Paper on the Environment, which will be published later this year. Since 1989 the Government has classified the environment as warranting a top priority publicity campaign and, with the activities organized by the Environmental Campaign Committee, the public are now much more aware of the need to protect their environment.

The activities of the green groups are certainly a very important and independent channel for environmental education. It is concern for their independence that partly inhibits the Government when it comes to considering direct subsidies for these activities.

There is however room for collaboration with the Government on particular projects and for private sector sponsorship in environmental protection activities to help heighten the environmental awareness of the community. As regards funding for conservation in general, I would refer Members back to the speech I made in the motion debate on environmental protection in December last, and reiterate that our thinking in this important area will be developed in the context of the 1993 Review of the Environment White Paper.

*Energy efficiency*

On energy efficiency, Members may be aware that an Energy Efficiency Campaign, initiated by the Energy Efficiency Advisory Committee, has just started. The theme is: "leave something for the future". The Committee will explore measures to monitor the effectiveness of the campaign. This is not always easy because the consumption of energy such as electricity can be affected by a variety of factors, for example, climate and fluctuation in

operational requirements. Nonetheless, the campaign will be only of limited benefit if its results cannot be measured.

*Sandwich class housing*

Mr President, many Members have commented on the sandwich class housing scheme. Views vary in terms of detail, but there still appears to be a large measure of agreement that the sandwich class deserve some home purchase assistance. There are differences of opinion on how this assistance should be provided.

I have already written to all Members explaining the background and principles of the Administration's sandwich class housing proposals. I have also held discussions with some Members and appeared before both the Finance Committee and the Housing Panel to offer further explanation. But as some of the myths and misunderstandings persist, I would like to restate the main points today.

Against the background of rapidly increasing residential property prices in 1991 and early 1992, many Members urged the Administration to address the situation during the 1992 Budget debate. We were told that the sandwich class were, and I quote, "people within our society most in need of relief". A few other quotations: "I cannot see why the Government finds it impossible to take prompt action, even though the Financial Secretary has accepted that the sandwich class are under enormous pressure". "The pressure on the sandwich class must be alleviated as soon as possible". "We sincerely hope that the Financial Secretary will announce details of the scheme as soon as possible to provide relief to the sandwich class." The suggestions ranged from mortgage payment tax exemption to various measures to increase private sector production, such as rezoning sites, increasing plot ratios and so on. The Administration then embarked on a careful study of what measures might be taken to assist the sandwich class. Our conclusion that the existing assisted housing programme should be extended was announced in October last year. In addition to a dedicated middle income housing scheme, an interim scheme to make benefits felt more immediately, and thus answer the call for quick action, has been proposed.

I am encouraged to note that Members are supportive of the main thrust of our proposals, which will involve the Housing Society in building flats for sale to the sandwich class at affordable prices. The first sites for this long-term scheme have already been identified. We hope to be able to reach agreement in the Land Commission regarding the land requirements and the premium arrangements for sites to be granted during the year.

Comment on the \$2 billion proposed for implementing the interim scheme has been extensive. The cost-effectiveness of its use has been questioned; meaning, I think, that Members feel that the sum should be used to benefit more families. While we have an open mind on how to achieve cost effectiveness, we



need to be aware of the potential pitfalls of casting the net of the interim scheme too wide. This is because, in the short term, we have no alternative but to rely on the existing stock of flats in the private sector, there being no question of robbing Peter, the beneficiaries of public housing programmes, to pay Paul, the sandwich class. To create a sudden surge of significant demand in the private sector could well inflate prices. As several Members have quite rightly pointed out, it would be self-defeating and a disservice to the remainder of the sandwich class, most of whom can expect to find their homes in the private sector market, if our scheme were to result in increased prices. Hence, the need to keep the number of beneficiaries under the interim scheme within reasonable limits and our proposal to experiment with about 1 000 units in the first phase. This prudent, experimental approach will afford us the opportunity to gauge the effects of implementation on the market.

Several ideas, including, for example, using the \$2 billion as a low interest or an interest free loan fund, have been put forward. Bearing in mind that the objective of the interim scheme is to close the affordability gap between the purchaser's resources and market price, I am not sure how practicable it will be to think in terms of adding the repayments of such loans to the main mortgage repayments the purchaser will have to meet. But the idea and others merit careful consideration, which the Administration will give them. We must avoid devising a scheme which is so restrictive as to be unattractive to the target group. I will keep Members, and in particular the Housing and Lands and Works Panels, informed on progress. In the end, it may well be difficult to formulate a fast start scheme with which everyone will be completely satisfied. But I do not think we should be frozen into inactivity by the prospect of there not being total consensus.

#### *Public housing*

Some have suggested that the housing needs of the lower income groups are being neglected and that we should do more for them than the sandwich class. It is, as always, a question of balance. Our commitment to the public housing programme remains as strong as ever. The programme will produce new homes for over 1.3 million people by 2001. The Housing Authority will spend a \$100 billion in the next eight years to achieve this target. As already mentioned, we are also conscious of the need to ensure that new initiatives like the sandwich class housing scheme are not pursued at the expense of current public housing commitments. Thus the resources for the scheme — both land and money — will be additional to those for the existing housing programme.

I note the concern expressed by some Members over the size of the waiting list and the waiting time for public housing. The current list contains 180 000 applications, of whom about 70 000 are actually likely to meet the Housing Authority's eligibility criteria. Action is in hand to review the extent to which ineligible households elongate the list, so that attention can be concentrated on those most in need.

The lack of any noticeable reduction in the size of the waiting list is mainly attributable to an increase in demand from small households. The Housing Authority has received more new applications from these households over the last two years than in the past. The Authority's redevelopment and clearance programmes have also meant that only about 500 to 1 000 flats can be made available for allocation to small households on the waiting list each year. To increase supply, the Authority has agreed to attach a new annex block to certain projects under planning and to consider new initiatives to encourage more sitting tenants to move out.

#### *Land supply*

Members have advocated increasing the supply of land for residential purposes to counter high flat prices. Let me assure this Council that the Administration's aim is to provide sufficient land to meet demand to the fullest extent possible. In the five years from 1987-88, nearly 343 hectares or an average of well over 65 hectares of new land a year were made available for residential purposes, private and public. Almost 378 600 flats or an average of over 75 000 new flats per year were produced during the same period. We will continue to aim at providing a steady supply based on our annual assessment of land requirements and sources of supply over a 10-year period. These regular forecast enable development programmes to be adjusted and suitable areas of land to be rezoned to meet identified shortfalls in supply.

One or two Members have referred in particular to a shortfall of land for public housing. Mr President, I have just referred to the Administration's policy of providing sufficient land to meet demand. Public housing is no exception to this policy. If anything, we are even more concerned to ensure that enough land is provided for public housing. But it should be borne in mind that the Long Term Housing Strategy production targets are regularly reviewed to take account of changing circumstances. Revised eligibility rules mean revised production targets which in turn mean revised land requirements. Hence, it should come as no surprise especially to those with long experiences in the field if a temporary shortfall of sites for meeting all the Long Term Housing Strategy targets is identified from time to time as the programme is rolled forward. As this happens, it is a matter of normal planning to set about identifying additional sites to meet the new demand. Over the past few months, for example, we have been considering how to meet an identified shortfall of about 50 hectares. Sufficient sites have now been earmarked to meet this demand and steps will be taken to ensure that they are available on time. I am sure that future additional demands will be met in the same way.

One of our familiar chestnuts is the time taken for land administration and planning processes. We are keen to ensure that the processing of development and redevelopment proposals is streamlined as far as possible and we monitor the situation almost non-stop in consultation with professional institutions and advisory bodies in the field. In a further effort to see what more can be done to

improve performance, an ad hoc group has been set up under the Land and Building Advisory Committee to examine our processes in greater detail.

Thank you, Mr President.

SECRETARY FOR TRANSPORT: Mr President, I am most encouraged by Members' strong support for the construction of the Route 3 Country Park Section. This will be a major north-south route of significant transport, social and economic importance and it is right that we should proceed with its construction as quickly as possible. The \$4 billion earmarked contributions in the Budget will help greatly in making this privatized project a great success. Expressions of interest have been invited from the private sector. Present indications are that there should be a good response by the closing date at the end of April. Thereafter we will proceed as quickly as possible in inviting formal bids on the franchise to build and operate the new road. Some Members have asked why the Ting Kau Bridge could not be built earlier. As I have explained before, the Ting Kau Bridge forms an integral part of the entire route and cannot be built in isolation. Our objective remains to build the entire route as early as possible.

In the meantime, all necessary steps are being taken to relieve congestion of Tuen Mun Road and to improve traffic flow between the northwest New Territories and the urban areas. The proposed allocation of \$1 billion for building extra climbing lanes in Tuen Mun Road will increase the road's capacity in the sections most prone to congestion. At the same time, provision of full width hard shoulders in these sections will enable broken down vehicles and vehicles involved in accidents to be removed quickly. Work is expected to start on the lanes in stages by the end of this year. In response to Members' concern about inconvenience to motorists while the works are going on, we will time the work in such a way as to ensure that the lanes are not closed during peak hours.

At the same time, further efforts are being made to improve ferry services between Tuen Mun and the urban centre. Two new high speed ferries, each carrying 450 people, will be introduced on this route by September. A new service from So Kwun Wat to Kowloon will be introduced in June. Together, these extra services will add capacity by 20%.

As I mentioned in this Council about three months ago, a joint District Board/Government working group has been appointed to investigate further means to improve traffic flow in Tuen Mun Road. The group is about to finalize its report and has identified several measures raised by Members as being possible areas for improvements. These include, for example, scheduling the maintenance of works during off-peak hours, improving the recovery time of broken down vehicles and stepping up the enforcement of lane discipline.

Since over 90% of our citizens travel on public transport daily, our main emphasis in the coming year must continue to be to improve both the quantity and quality of such services. In particular, public transport operators will be encouraged to be more responsive to the needs of their customers, both in relation to the services they provide and the fares they charge.

As Members know, from September this year, there will be two franchised bus operators on Hong Kong Island. This fulfils our declared aim of introducing more healthy competition wherever possible without damaging the incentive of long-term investments. Members will rest assured that both the China Motor Bus Company Limited (CMB) and the Citybus Company will be closely monitored to ensure that the services they provide will meet the conditions laid down in their franchises.

There will be continued expansion of bus services to serve the growing needs of the new towns and the urban areas. The Kowloon Motor Bus Company Limited (KMB) will introduce 24 routes deploying 119 buses this year, adding eight more routes with a further 25 buses in 1994. CMB will introduce seven new routes deploying 38 buses this year. Bus services will be supplemented by residential coach services. Eighty routes were operating at the end of last year. We expect to have at least 10 new routes this year and more if residents so wish. 220 green mini-bus services are now operating, and a further 19 routes will be added during this year.

Apart from buses, the railways carry 30% of daily public transport. Both corporations have long-term plans to improve their services. Each will be spending over \$5 billion in the next five years. The Mass Transit Railway Corporation (MTRC) is upgrading its signalling system to provide additional trains in the Nathan Road Corridor to meet peak demand. Improvements to signalling and air-conditioning system are now in hand. The Kowloon Canton Railway Corporation (KCRC) is introducing a new signalling system over the next three years. This will improve the existing three-minute headway to 2.5-minutes, (or an increase from 19 to 22 trains per hour) from Tai Wai to Kowloon during peak hours. This will add a 15% increase in train availability in the most critical section of the Kowloon Canton Railway (KCR). In addition, all existing KCR carriages are being modified to increase their carrying capacity by 15%. The new Ho Tung Lau depot is under construction and when completed in 1995 will be one of Asia's most modern maintenance facilities and will greatly improve train availability and reliability. Some \$356 million is being spent on improving facilities in all KCR stations. Finally the Light Rail Transit (LRT) system has been further improved with the recent opening of the Tin Shui Wai extension and the arrival of 30 new vehicles which will increase capacity by 46%.

But it is equally important to improve the quality of the services in response to passenger demand. Increased emphasis will therefore be placed on customer relations. This will be done through introducing performance pledges and establishing better passenger liaison machinery. MTRC has made

performance pledges on train, ticketing and escalator reliability. KCRC will do likewise within the next few months. Both corporations have already established passenger liaison networks. KMB is now setting up passenger liaison groups and will be introducing performance pledges later this year. These are likely to cover bus turnout rates, service improvement and qualities and response times for public complaints. Both ferry companies are improving their passenger liaison channels. CMB is required to do the same under the new franchise from September.

Members' concerns about further investment in our infrastructure are fully appreciated. But we must understand that resources are not unlimited. We must therefore plan on a prudent basis and ensure that as far as possible investments should be put into areas where they can achieve the greatest social and economic benefits. The Route 3 Country Park Section is clearly one such example. We are finalizing the updating of the Second Comprehensive Transport Study which will include longer-term plans for infrastructure improvements, covering such suggestions made by Members as the Route 16 from Shatin to northwest Kowloon. The Railway Development Study which I will announce later this week will cover long-term plans of railway developments covering such proposals as the MTR extension to Tseung Kwan O and a new railway extension to the northwest New Territories.

In this context, several Members have asked whether the Government is considering the details of the Zhuhai Bridge made by the Zhuhai authorities. As Members are aware, we have had regular liaison with the Chinese authorities on all border transport matters over the years and this has proved successful to our mutual benefits. While we have not yet received such proposals from the Chinese authorities, we hope to raise this matter in the next meeting or so and consider their proposal further having regard to the impact on our road systems in the northwest New Territories.

Last but not least, we must carry on to maximize the use of our road space. This can only be done by setting up priorities on road usage through better traffic management.

We will continue to undertake local traffic management studies and to introduce modern technology to increase the usage of road space. The Area Traffic Control System using computers to regulate traffic signals are being further modernized. The system in Kowloon will be replaced by a new one in 1995 at a cost of \$130 million. A new system costing \$65 million will be installed in Tsuen Wan by the end of this year. Planning is in hand for a similar system in Shatin.

So as to improve road safety and reduce traffic accidents, we are determined to strengthen the vehicle inspection programme even further. From 1 June all light goods vehicles will be examined annually. On the same date, the age of medium and heavy goods vehicles to be examined annually will be lowered from seven to five years. By 1994, every goods vehicle in Hong Kong

will be checked annually. Legislation is in hand to strengthen measures aimed at tackling overloaded goods vehicles. Members are, I believe, examining a Bill introduced into this Council in January to impose strict liability on owners of goods vehicles for overloading. We are also proposing to raise the level of penalties for overloading goods vehicles.

Finally, education and publicity on road safety must continue to be stepped up so as to drive home the message to every pedestrian and motorist of the importance of road safety. Apart from ongoing education and publicity through the media and in our schools and community, there will be a major government campaign on road safety in the coming year. This will be further strengthened through the work of the Transport and Highways Departments and the Police. In 1992, more than 1 800 local traffic improvement schemes were implemented, improving traffic circulation and road safety. These are welcomed by people in the neighbourhood. We will continue to work closely with District Boards to continue to ensure that these efforts are sustained.

Thank you.

SECRETARY FOR WORKS: Mr President, Members have focussed much of their attention on the problem of underspending in this financial year. Accordingly a special Public Works Subcommittee (PWSC) briefing on this subject has been scheduled for 8 April, avoiding the need to go into a detailed exposition on the subject today. Suffice it to say that the problem was identified in 1991-92, prompting the Works Branch to introduce a number of measures to improve estimating techniques and the procedures for the Public Works Programme. Reporting relationships and systems were improved to speed up the provision of accurate expenditure information, especially in relation to the revised annual expenditure estimates, so that funds not taken up could be redeployed. A Public Works Progress Committee consisting of works directors and representatives from the Buildings and Lands Department and the Environmental Protection Department was established under my chairmanship in July 1992. Reports on a project by project basis of deviations from planned spending and timetables were scrutinized, and timely remedial measures taken as appropriate. Consequently, the month by month expenditure of departments and the year end results were in line with forecasts during the latter part of the year.

Far from underspending in 1992-93 being, as the Honourable Ronald ARCULLI suggested, a deliberate tactic to achieve lower tender prices, it has been a great disappointment to me and everyone in the Works Group. Whilst I should note that the magnitude of underspending was reduced from \$6.6 billion in 1991-92 to \$3.6 billion anticipated this year (and there were significant savings arising from lower tender prices), nevertheless the underspending for this year is still unsatisfactory. A detailed breakdown of individual heads of expenditure and reasons for the underspending of each department and each major component project in the Public Works Programme (and there are over

1 100 in number) confirms that we are moving in the right direction but it also shows that other parts of the "production chain", in particular, project conceptualization and the interactive development processes with other Policy Secretaries and the Finance Branch, should be upgraded. The Honourable Edward HO and the Honourable Peter WONG suggested inadequate co-ordination between government departments and poor planning. The Honourable Steven POON called it the Government's failure to manage its finances and the Honourable Jimmy MCGREGOR asked for more realistic programmes. I agree that programme changes and financial controls are very important factors.

Our response to the continuing underspending is four-fold:

Firstly, the reorganized Public Works Progress Committee which I chair will bring together relevant Policy Secretaries so as to nip these problems in the bud.

Secondly, more realistic forecasts in terms of time and money for public works projects have been made by the works directors in the 1993-94 draft Estimates.

Thirdly, with the assistance of consultants, we are embarking on a comprehensive review of public works procedures, practices and systems. This review will encompass what the Honourable Christine LOH has in mind but will also look at organization, hierarchy and accountability. It will include the commissioning of a sophisticated computer based information and management system.

Fourthly, training seminars to propagate new techniques to the project architect or engineer level.

The Public Works Programme does look ahead, over a five-year period. To uplift performance, we have in the last few months prepared project listings for all works departments based upon various key start dates (for example, land resumption and tender award) to ensure that resources are applied in the most effective manner and to highlight potential problems in advance. Strong monitoring controls on projects in progress are now in place in all works departments. These controls provide much better and more timely information flow. The same vigorous process will now be applied to projects under planning and design.

I noted the Honourable Edward HO's support for the entrustment of projects to the private sector. During 1992 we have produced standard contract documents and the works departments are now ready for the greater use of design and build procedures; whenever appropriate we shall also consider turnkey contracts. The Works Branch is also undertaking a study of the capacity and productivity of the Hong Kong construction industry. The Construction Advisory Board, which will meet for the first time shortly, will

also be able to offer valuable advice on how to make the best use of the resources available in the private sector.

Several Honourable Members expressed concerns over the airport core projects. In so far as I am responsible through NAPCO for the overall co-ordination of the implementation of these projects, I would like to reassure you that we are continuing to proceed in accordance with our baseline programme and within budget. Progress on the site preparation contract is now as planned, and government-funded contracts within the airport related programme are also moving forward satisfactorily.

Our overall planning strategy has been to integrate the contracts for the airport core projects within a tightly controlled baseline programme, thereby securing completion to the maximum extent possible by 30 June 1997. This strategy continues to be implemented successfully, but necessarily on a step-by-step basis whilst funding proposals for the Airport and Airport Railway still remain to be agreed. Individually however every contract so far awarded is within budget, and with an appropriate time allowed for completion. Where funding under the Capital Works Reserve Fund has already been committed, we are similarly continuing to award contracts that provide the best value for money.

Thank you, Mr President.

FINANCIAL SECRETARY: Mr President,

### *INTRODUCTION*

During this debate, one Member referred to a general assumption that to praise the Financial Secretary's Budget would be political suicide. Well, if that is the case, we clearly have some fearless or perhaps suicidal Members of this Council. I am extremely grateful for the support for my Budget, both in this Chamber and in the wider community. Perhaps I should not be surprised at the level of support which my Budget proposals have received because, of course, we have worked together to produce them and I believe that they reflect the aspirations of the whole community and the priorities expressed by Members of this Council. I look forward to continuing this partnership in preparing future Budgets.

Nonetheless, a handful of Members seem unable to find a single thing to praise or support in what one Member has kindly described as "a budget where there is something for everyone". Apparently not in all cases. It is difficult to know what I have to do to win their support, or to engage in a rational and constructive dialogue. But clearly, apart from this minority, there was general support for the approach in the Budget of maintaining a balance between increasing social services on the one hand, and investing in our infrastructure



and, hence our future growth, on the other. A balance between economic realities and the community's aspirations.

In the debate on the Budget, I have listened carefully to the points made by Members, whether critical or supportive. These comments will form the first input into our exercise over the coming months to identify priorities for resource allocation and for the next Budget. Whilst I and my colleagues clearly cannot give complete answers to all the comments which you have made, I would like to respond to a number of the most important points today.

#### *PLANNING AHEAD : THE RESERVES*

First, I was struck by the number of Members who urged that our planning should go beyond 1997 because they had the mistaken impression that we regard that year as a cut-off point. I think this confusion may arise from a misunderstanding over the period covered by the Medium Range Forecast (MRF). And this misunderstanding even extends to such areas as housing, transport and so on where we publish plans that go beyond that date.

Let me recall that last year I extended the normal period of the MRF by one year because it seemed very useful to include 1996-97 in that year's forecast. This was particularly the case because of the Memorandum of Understanding (MOU) on the Airport Core Programme, which referred to the level of reserves on 30 June 1997. But for this year's Budget, I simply reverted to the normal MRF period, which looks four years ahead. I am happy to assure Members that, next year, the forecast will be rolled forward a year to cover 1997-98, and an additional year will be added in each subsequent Budget.

Let me take this opportunity to remind Members that the MRF is just what its name implies. Budgetary decisions after 30 June 1997 will, of course, be for the Hong Kong Special Administrative Region (SAR) Government, with the approval of the SAR Legislative Council. As you know, the Budget and our formal financial commitments have to be taken on a year-by-year basis as a matter of law.

Some Members commented on financial planning and the forecast level of future reserves. In brief, there were some who urged me to be more cautious in my spending plans and assumptions, especially in view of the unresolved issue of the 1994-95 election arrangements. And there were those who were simply concerned that the forecast reserves would not be large enough.

I find this situation somewhat ironic. Last year, I was criticized by many Members for being too cautious and for aiming for larger reserves than were really needed. This year, some of the same people have criticized me for the opposite reason. Some of those who considered last year's forecast of \$71 billion for 1996-97 to be too large, believe this year's higher forecast of \$78 billion to be too small. Last year, some Members used such heady phrases as "a mountain of reserves has been hoarded for future years", and "this

monumental amount of reserves". Apparently, the mountain has now become a molehill.

Nonetheless, I accept there is room for serious discussion of what constitutes an adequate level of reserves. It necessarily involves a judgment in the light of present and future expected circumstances. However, some Members seem to be advancing a very different argument: that if the present disagreement over political development persists, China would take deliberate action to damage Hong Kong's economy and the well-being of the community. This would be totally contrary to China's repeated assurances about protecting the economic well-being of this community.

I was encouraged by a growing recognition that to accept a temporary deficit in order to put some of our reserves to productive use is a proper, prudent and sensible course of action. Some Members have pointed out that if the Government's accounts were prepared on the same basis as a commercial business, we would not be seeing a deficit. On this analysis, Hong Kong is accumulating annual operating surpluses. And from time to time, we allocate part of those accumulated balances for investment in our infrastructure and other worthwhile facilities and services. I will take the advice of Members and look again at whether we could present our figures on a different basis which brings out the position more clearly.

A few still believe that a deficit Budget is in all circumstances undesirable. It is worth noting the absurd situation which this would lead us to. If we can never run a deficit, then we can never draw on our reserves, however large they may be. Some of those who criticize the deficit have also urged us to earmark a substantial part of our reserves as a fund for civil service pensions. These Members should realize that, on their own logic, it would be impossible ever to draw on such a pension fund. I believe that the community would prefer to share the fruits of our economic success in the form of better hospitals, schools and social services rather than ever higher reserves which go beyond prudence to ridiculous parsimony.

Let me take this opportunity to address the worries which have been expressed by some civil servants about the security for the future of their pension rights. These have been guaranteed by the Joint Declaration and the Basic Law. Pensions are also a statutory charge on recurrent expenditure. Moreover, I find it inconceivable that any government of this territory would be unable to meet the annual costs of pensions which are projected to remain at only about 5% of recurrent expenditure.

However, the Government has already responded to concerns voiced on this subject by having a further look at a proposal to set up a partial pension fund. We have to examine the size, scope and means of operation of any such fund and the financial implications for the Hong Kong Government and the future SAR Government. It would be necessary to discuss this matter further with the Chinese side in the Joint Liaison Group. And a decision on whether to

set up such a fund will be possible only by the end of 1994. But let me assure you that we are approaching this issue in a sincere manner and with an open mind.

To return to the reserves, I would like to remind those who are worried by our forecast reserves that the figure for 1996-97 is only part of the picture. In mid-1997, there will be a considerable increase in the reserves when the balance in the Land Fund is transferred to the SAR Government. I note that a senior Chinese official has recently forecast that the Land Fund would by then be in the region of \$70-80 billion. Thus, the reserves in 1997 would be roughly double my forecast, once this is taken into account.

#### *CONTROL OF PUBLIC EXPENDITURE*

I would also like to deal with a related concern: are we failing to control the rate of growth of public expenditure? One Member actually called me a "spendthrift". Given the reputation of Financial Secretaries for over-caution, some might regard this as a compliment! I think again there may be a genuine misinterpretation of the figures here. To assess whether we are keeping the growth in public expenditure in line with the growth of the economy — an aim which I entirely accept — we cannot look simply at 1993-94 as compared with the previous year. This is particularly so if there has been underspending on capital works, as there was in 1992-93. We have to look at the full planning cycle.

The starting point for the current planning cycle is mid-1990. The tables on page 25 of the Budget speech illustrate that we are in fact within our guidelines in the 1993-94 Estimates. I would also like to reassure those who are concerned that we may have difficulty in getting back to surplus budgets after 1997. Not only should the main spending on the Airport Core Programme have ceased by then, but a number of other positive changes will take place at that time. In particular, the SAR Government will have the interest earned on the Land Fund, together with the full proceeds of land sales, instead of only half as at present. Plus the rentals arising from the extension of land leases beyond 1997. The combined effect of these changes alone is likely to be additional revenue of around \$15 billion in 1997-98.

#### *FORECASTING*

I have some sympathy for those who commented that a forecast deficit for 1993-94 could well turn out to be a modest surplus. It is not at all easy to forecast accurately, and it would only take a small percentage change in either revenue or expenditure to turn a \$3.4 billion deficit into a modest surplus. This problem is not peculiar to Hong Kong alone. A recent study found the following: "There has been a consistent underestimation of total revenue and overestimation of expenditure, which have led to surpluses on the current accounts of the Budget. There have been similar shortfalls in estimated, as opposed to authorized, development expenditure." Whilst this sounds like a

description of Hong Kong, it is in fact from a study which seeks to explain Singapore's budget surpluses. That said, I entirely accept that we must redouble our efforts to improve the accuracy of our forecasts, and in particular to solve the problem of underexpenditure on capital works.

#### *TAX AVOIDANCE*

There were two proposals in the Budget on which Members essentially agreed with the aim but not always with the means. The first such proposal was legislation to close a profits tax loophole which relates to such payments as royalties for the use of intellectual property. This issue is complex and technical, and I have asked the Secretary for the Treasury to consult with those Members who had a number of helpful suggestions and comments.

#### *SANDWICH CLASS HOUSING*

The second proposal where there was general agreement on the end but not necessarily on the means was sandwich class housing. The purpose of the interim scheme was to respond positively to Members' wish for measures which would bring assistance quickly to some of the sandwich class whilst we waited for the full scheme to take effect. But we are entirely open to ideas about the best way of using the \$2 billion which I have indicated a willingness to earmark for this purpose, and ideas about interest-free loans and the like will be looked at urgently and seriously by the Secretary for Planning, Environment and Lands. Needless to say, I shall be only too delighted if it proves possible to help a larger number of people with the same amount of money.

On a related issue, a number of Members emphasized the importance of the housing programme for those who are less well off than the sandwich class. Public housing has, of course, been a major priority for many years. It is vital in this as in other areas that we ensure that taxpayers' money is used where it is most needed. We are currently reviewing the financing arrangements for the Housing Authority, but it is too early to draw any conclusions yet. I would just comment, here, that we must find a solution to the contrast between the heavily subsidized public housing enjoyed by some relatively well-off families, whilst others in much greater need remain on the waiting list.

#### *AIRPORT CORE PROGRAMME*

A major element of our spending plans over the next few years is of course the Airport Core Programme (ACP). A number of Members commented on the ACP and asked what provision had been made for it, and the assumptions about its timescale and cost. Questions about the provision made in the 1993-94 Estimates were dealt with in the special meetings of Finance Committee. In brief, the Estimates contain a total of \$10.8 billion in respect of the Airport Core Programme. The simple assumption behind this provision is that the cost and timescale remain as explained to Finance Committee on a number of occasions.

It is of course difficult to know what will happen in respect of the two particular projects, namely the Airport itself and the Airport Railway, on which we have yet to reach agreement with China about the financing arrangements. Whilst the other parts of the Airport Core Programme are proceeding well, in the continued absence of agreement on the financing of these two projects, it is difficult to make accurate provision. However, we will clearly need in the next few months to come back to Members with an update on where we are on the Airport Core Programme.

### *INFLATION*

A major issue in the debate was quite rightly inflation. I am grateful to Members for their suggestions, which we will look at carefully. But it remains true, as pointed out by a number of Members, that the key constraints are the supply of land and labour. Neither are easy to resolve.

The labour supply is a difficult issue which needs to be handled sensitively and carefully. I note Members' comments on the retraining scheme, and I agree we must keep this closely monitored and fine-tune as necessary. We also, as some Members pointed out, need to continue our efforts to increase productivity — efforts which have had a considerable degree of success. Our general labour importation scheme is modest by comparison with those in other booming Asian economies. For example, Macau has about 20 000 imported workers, or 10% of its workforce. Singapore has around 200 000 foreign workers, or about 15% of its workforce. We have to explore ways of relieving this constraint whilst at the same time being fair to our own existing labour force.

So far as land supply is concerned, I agree with Members that we should also maintain our efforts to ease the situation. In respect of private residential flats, prospects are encouraging in the sense that the supply coming on the market is increasing. The number of vacant flats up to the end of 1992 is estimated to be about 34 000, and the number of units to be completed in 1993 and 1994 is estimated to be about 37 000 and 38 000 respectively. These figures compare with the average annual take-up of only 26 000 flats over the past three years. We must continue to discourage speculation in such flats, and I believe that the two measures of introducing stamp duty and of the banks restricting lending to 70% of the value have been helpful. I am very conscious of the concerns of Members and of the public over this important issue, and we shall keep it under close review.

On the question of the exchange rate, I must respond to the handful of Members who still think that changing our well-tryed linked rate system is the way to reduce inflation. Let me make it clear: we remain totally committed to the present system. This is for good reasons. The system has brought us invaluable stability. In any case, Hong Kong's inflation is not caused by our link to the US Dollar at the rate of US\$1 to HK\$7.80. This is demonstrated by the marginal increases in the import price index (1.9% in 1991 and 0.2% in 1992), particularly when compared to the domestic inflation rate. In this context,

revaluing the HK dollar or linking it to a basket of currencies could have no significant impact on domestic inflation. We suffer inflation principally because of the rapid structural changes in Hong Kong's economy.

One Member referred to what Sir Alan WALTERS is reported to have said about changing Hong Kong's linked exchange rate system. At a luncheon talk on 18 March, Sir Alan in fact commented that our system is a great success and should continue. The press report on his views about changing the linked rate was merely reflecting what he saw as an academic possibility. In fact, he stated categorically in his talk that Hong Kong should not tamper with the link at the current rate of HK\$7.80.

Meanwhile, we shall continue to do all that is possible to contain inflation, including controlling public expenditure and investing heavily in training and retraining, and in increasing productivity. Let there be no doubt about our commitment to combat inflation. I take comfort from the fact that no Member has challenged our basic strategy of not jeopardizing our prosperity and future growth in the fight against inflation.

#### *HELP FOR BUSINESS*

I was disappointed at the rather narrow focus of some of those who thought that what the Budget is doing for business was inadequate. We cannot afford the mindset which sees business as synonymous with manufacturing industry. Or which sees benefits in terms only of tax concessions or subsidies. The fact is that the Budget made a major contribution to maintaining a favourable environment for business in Hong Kong.

All the investment which I proposed in our infrastructure will help business to be more efficient. This must especially be true of the major road transport improvements I announced. And some specific sectors were, of course, further assisted by particular measures in the Budget. The stock market was helped by the reduction in stamp duty. The tourist industry was helped by the abolition of cosmetics duty, by the increased assistance for the Tourist Association, and by the decision to proceed with an extension to the Convention and Exhibition Centre. I am hopeful also that, as a result of the review of the Trade Development Council's financing arrangements, there will emerge some additional support for industry. Furthermore, the fact that I have continued unambiguously to support our basic philosophy of a low, simple and predictable tax system is very much in the interest of business. So let there be no doubt — this Budget does a great deal, directly and indirectly, for business.

#### *TAX CONCESSIONS AND STABLE REVENUES*

Salaries tax was, of course, a major issue last year, and I am grateful for the generally positive response to the measures introduced in the Budget, whilst, noting that inevitably there are those who wish me to go further. Members' views — whether relating to the level of allowances or tax bands — will of

course be borne in mind when it comes to assessing priorities for the next Budget, together with any further thoughts which emerge in my dialogue with Members.

A number of Members were concerned that the tax base has been narrowed, and that the ratio of direct and indirect taxation is changing for the worse. This is a difficult area, but I cannot resist responding to those Members who claimed I was wrong to have sought to increase property rates last year. Some of the same Members have criticized me this year for having narrowed the tax base or having adversely affected the ratio of direct to indirect taxes. An increase in property rates would of course have increased the revenue from indirect tax, and proved a particularly reliable source of revenue.

But I accept that there is a serious point underlying all this. Where possible, I agree we should prefer stable sources of revenue over volatile sources of revenue. The point I have been trying to get over in the past year or two has been that this is a much more complex issue than the ratio between direct and indirect taxation. Indirect taxes as a proportion of total revenue have not in fact changed greatly over the years. Indirect taxes were 25.3% of revenue in 1983-84, and are 26.8% of revenue in the 1993-94 Estimates.

But the fact is also that some of our major indirect taxes are more volatile than our major direct taxes — and I am thinking for example of stamp duty and the First Registration Tax, both very volatile indirect taxes. So, I agree with Members that we need to keep a close eye on our revenue sources and ensure that we do not make ourselves too dependent on volatile sources of revenue. But I also believe that the significant real reduction in the tax burden for salaries taxpayers in this year's Budget was justified, as well as reflecting Members' strong calls for real improvements. I am encouraged that only one or two Members still claim that the various salaries improvements that we have made over the years have barely kept up with inflation. I believe the figures which were published in the Budget and elsewhere show conclusively that we have done much better than merely keep up with inflation.

In the context of salaries tax concessions, some Members referred to the income disparity between rich and poor and to the Gini Coefficient. This Government does not ignore the needs which relatively low income can create. In fact, our spending on social security and our tax system is heavily weighted in favour of lower income groups. Half of all employees pay no salaries tax. Almost half the population live in heavily subsidized public housing. No one is denied medical or hospital care through lack of means. The best contribution we can make to improving the well-being of lower income groups is our commitment to improved public services and our continued investment in future growth, which brings with it full employment and steadily rising standards of living for the whole community.

*SOCIAL SERVICE COMMITMENTS*

I was hoping that my remarks in the Budget on social security would lead the debate to a more constructive level. But it is evident that I cannot, as yet, claim success. I think it is vital that, in the entirely legitimate discussion about how much assistance the less well-off need, we do not understate the additional assistance which will be provided under the new Comprehensive Social Security Assistance Scheme. The Secretary for Health and Welfare has elaborated on this issue, but I would repeat the point made in my Budget speech: it is not helpful to conduct such a debate in terms of the old basic rate when, as we all know, the average figure of what is paid out is very much higher. And, indeed, 99% of all beneficiaries receive far more than the basic rate because of the various other additional payments to which they are entitled.

Let me remind Members that when the new scheme is introduced in July, the average payment for a family of four will be \$5,880 a month, or approximately equal to the September 1992 average manufacturing workers' wage. Let us not belittle the very significant level of assistance that this brings to those in need. Nonetheless, I will continue to take very seriously the views which Members express about ways in which our social security system can be improved.

A number of other important issues were raised. I have noted for example the strong view that there is a need for further improvements in the funding of kindergartens. We have already improved the fee remission scheme. I believe it is right to direct financial assistance to those parents who need it most. But we will of course be ready to listen and to consider ideas for any further improvements, and to assess them as usual against costs and other priorities. There was also a call for measures to be taken to ensure an adequate supply of nurses for the new hospital beds coming on stream, and I know the Secretary for Health and Welfare will be looking into this. I can assure Members that I have carefully noted the views which Members have expressed on these issues. I will ensure that they are looked into further and borne in mind in our continuing dialogue about priorities for the next Budget.

*CONCLUSION*

One Member described me as Santa Claus. Unfortunately he is not here today. (*Laughter*) He was making a very important point about resource constraints even in good years. As he said, "there will be lots of Good, Valuable and Important things that cannot be done — at least not all at once". What this means in practice is that we cannot live beyond our means. And we cannot avoid making often difficult choices. Members will not expect me to fund every proposal put forward over the next few years.

Our economic success has enabled the Government to embark on the agenda of major policy initiatives for the next five years set out in the Governor's address to this Council last October. The same success has enabled



me to raise our sights in this Budget. And this is the answer to the question posed by a few Members during the debate: how does the ordinary man in the street benefit from this year's Budget?

Let me remind you how:

- more than 250 000 existing taxpayers will no longer have to pay any salaries tax;
- another 1.2 million existing taxpayers will pay less salaries tax;
- an additional 32 000 families will qualify for the expanded Kindergarten Fee Remission Scheme;
- a new \$1.1 billion 600-bed hospital will be built for North District;
- \$4 billion will be spent on Route 3 to create a new road link to China; and
- \$1 billion will be spent on immediate improvements to the Tuen Mun Highway.

And I could go on and on. This has truly been a Budget about Building on Success.

Thank you.

5.23 pm

PRESIDENT: I understand that some Members wish a short break at this point. I will therefore temporarily suspend the sitting.

5.49 pm

PRESIDENT: Council will resume.

*Question on the Second Reading of the Appropriation Bill 1993 put.*

*Voice vote taken.*

The President said he thought the "Ayes" had it.

MRS MIRIAM LAU: Mr President, I claim a division.

PRESIDENT: Council will proceed to a division. The division bell will ring for three minutes.

PRESIDENT: Could we have some order, please?

PRESIDENT: Would Members now please proceed to vote?

PRESIDENT: Do Members have any queries? The result will now be displayed.

The Chief Secretary, the Attorney General, the Financial Secretary, Mr Allen LEE, Mrs Selina CHOW, Mr PANG Chun-hoi, Mr Andrew WONG, Mr LAU Wong-fat, Mr Edward HO, Mr Martin BARROW, Mrs Peggy LAM, Mrs Miriam LAU, Mr LAU Wah-sum, Dr LEONG Che-hung, Mr Jimmy McGREGOR, Mrs Elsie TU, Mr Peter WONG, Mr Vincent CHENG, Mr CHIM Pui-chung, Mr Timothy HA, Dr LAM Kui-chun, Miss Emily LAU, Mr Eric LI, Mr Fred LI, Mr Henry TANG, Mr TIK Chi-yuen, Dr Samuel WONG, Mr Howard YOUNG, Mr WONG Wai-yin, Dr TANG Siu-tong, Miss Christine LOH, Mr Roger LUK and Ms Anna WU voted for the motion.

Mr Frederick FUNG voted against the motion.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Rev FUNG Chi-wood, Mr Michael HO, Dr HUANG Chen-ya, Dr Conrad LAM, Mr LAU Chin-shek, Mr LEE Wing-tat, Mr MAN Sai-cheong, Mr James TO and Dr YEUNG Sum abstained.

THE PRESIDENT announced that there were 33 votes in favour of the motion and one vote against it. He therefore declared that the motion on the Second Reading of the Bill was carried.

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 54(3).*

**HONG KONG INDUSTRIAL TECHNOLOGY CENTRE CORPORATION BILL****Resumption of debate on Second Reading which was moved on 2 December 1992**

*Question on the Second Reading of the Bill proposed, put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

**TELEVISION (AMENDMENT) BILL 1993****Resumption of debate on Second Reading which was moved on 13 January 1993**

*Question on Second Reading proposed.*

MR HOWARD YOUNG: Mr President, I must first of all thank my colleagues, the Administration and many staff serving the legislature for their patience and hard work which has been put in the examination of the Television (Amendment) Bill 1993.

The path to provide Hong Kong with cable TV, already quite common in many developed economies, has had its bumps along the way. A few years ago, an attempt was made and bids called for. After a fierce struggle amongst contenders, one successful awardee was chosen for the potential licence — only to have them pull out even before getting started. I believe the Hong Kong public, the Government and the bidder and legislators this time are equally determined not to see such a fiasco again.

In late 1991, the Executive Council decided, instead of going out for tenders right away to reoffer Hong Kong's first subscription television licence, to have a six-month review before coming up with a policy on how to proceed. In April last year, the Legislative Council held a motion debate on broadcasting policy. All Members who spoke urged the Government to expedite the formulation of an overall broadcasting policy based on such principles as freedom of information, media diversification, fair competition and protection of consumer rights, so as to promote the development of the broadcasting industry within Hong Kong's free market economy.

When the Administration completed its comprehensive review on the television industry in 1992, Members' views expressed in the motion debate had mainly all been taken into consideration.

Upon completion of the review, the Administration drew up an overall regulatory framework to enable existing commercial free-to-air and new subscription television services to co-exist and compete in a healthy and equitable environment.

Mr President, before I go on, may I ask whether my time is limited to seven minutes or 15 minutes?

PRESIDENT: Fifteen minutes, Mr YOUNG as mover of the motion.

Mr Howard YOUNG: Thank you, Mr President. The main purposes of the Television (Amendment) Bill 1993 are:

- (a) to provide a legislation framework for the licensing and control of subscription television;
- (b) to amend existing provisions in the Television Ordinance which may be inconsistent with the Hong Kong Bill of Rights Ordinance;
- (c) to relax certain legislative restrictions on shareholding by licensees; and lastly
- (d) to relax certain programming and advertising requirements on, and to reduce the maximum rate of royalties payable by, commercial television broadcasting licensees.

Members of the group studying the Bill were concerned with a number of clauses which have Bill of Rights implications. For example, we were of the view that all hearings of an inquiry conducted to consider revocation of licence, which is a serious matter indeed, should be held in public, except where revocation grounds are based on financial insolvency of the licensees or failure to pay royalties in which case commercially sensitive information might be involved.

The Administration has agreed to include at Committee stage a provision to require the Broadcasting Authority to hold a public hearing and to publish a report of it together with its recommendations to the Governor in Council concerning the revocation of a Television Broadcasting Licence should that ever happen.

Members of the Bills Committee were also concerned with the power of the Authority to review or ban programmes prior to broadcast. Mr President, our view is that various post-broadcasting disciplinary powers available to the Broadcasting Authority or the Government, which range from imposing a financial penalty to revocation of the licence, would be a far more just and

effective means to ensure that licensees would broadcast in a responsible manner.

To ensure that broadcasters do so in a responsible manner in conformity with current acceptable social morals is just as important in the public interest as freedom of information. This is especially so for a medium like television, where the audiences, including minors, are reached in the confines of their private homes by the simple flick of a switch without even any positive action such as making the conscious effort of choosing and buying a newspaper or magazine. There is a balance to be struck.

It is our view that reviewing in advance, or in other words so-called "precensorship", in this day and age is neither necessary nor practical. As a matter of fact, the provision in the current Ordinance had not been used, despite being on the statute book for many years, which brought its necessity into question. Furthermore, in view of the speed of communications and the increasing popularity of live interview and news programmes, even with all the goodwill and reason in the world, to ask for prerecording would not be practical and would merely stifle the free flow of information.

In any case, I feel that with a well-educated and mature viewing Hong Kong public, coupled with responsible broadcasters who also have lucrative licences at stake, alternative checks and balances would suffice.

After discussion, the Government has agreed that the power of prior censorship by the Broadcasting Authority and banning of programmes by the Executive Council will be deleted. Instead, provisions will be inserted in the Bill to enable the Administration to apply for a court order in order to prohibit the broadcasting of a particular programme on limited grounds consistent with Article 16(3) of the Hong Kong Bill of Rights Ordinance.

As a safeguard against possible abuse, the circumstances when a court order may be applied for has been carefully subscribed. This is confined to when there is a reason to believe that the broadcast of a programme would incite hatred against a group of persons based on colour, race, sex, religion, nationality or ethnic or national origins; or result in a general breakdown of law and order; or gravely damage public health or morals.

Section 38 of the Television Ordinance provides that if a licensee is aggrieved by any decision of the Broadcasting Authority, an appeal by way of petition to the Governor in Council may be lodged. Section 39 says that in determining the appeal, the Governor in Council is empowered to receive advice and information from any source without disclosing it to the appellant. Members are of the view that, in general, the appellant should have the right to know all information relating to his appeal and should have the right to respond to such information. The Administration has agreed to delete the somewhat obnoxious words "without disclosing the same to the appellant, who shall not be entitled to make any representations other than his petition". The result is that

the legislation no longer contains an assumption against the appellant's right but leaves it to the Executive Council to decide on the merits of each individual case.

Apart from the key issues which are briefly mentioned above, Members also proposed that amendments be made to provisions relating to the relaxation of cross ownership rules for the television licensees, the narrowing of control over licensees at the level of boards of directors, the making of regulations subject to the Legislative Council's prior approval and the reduction in maximum imprisonment penalty for contravention of regulations. The Administration has accepted the proposals and the Secretary for Recreation and Culture will put forward the necessary amendments when the Council goes into Committee.

This Bill provides the necessary regulatory framework in legislation to enable the introduction of subscription television into Hong Kong. The Administration undertakes to conduct an overall review on the legislation governing the various broadcasting media with an aim to introduce a comprehensive Broadcasting Bill in the 1993-94 Session which will set out in one piece of legislation the total government broadcasting policy. For this reason, I hope Members will support this Bill from a very pragmatic and sensible point of view and not play games and the amendments to be proposed later in the Committee stage.

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

MRS SELINA CHOW: Mr President, may I start by declaring interest as a director of Asia Television Limited.

This afternoon I intend to speak to the parts of the Bill relating to the powers to regulate and prohibit programmes, and the appeal channel open to broadcasters against decisions of the Broadcasting Authority.

The broadcasting of programmes is controlled by the Broadcasting Authority according to Codes of Practice, regulations and licensing conditions.

New section 28 provides for differences in Codes of Practice for different licensees and different channels. Such flexibility is needed, given the different nature of a growing variety of services, especially with the onset of narrow casting to be offered by Cable TV. However, the Broadcasting Authority must fully consult all licensees, and ensure that differences are necessary, fair and reasonable. It would no doubt be unacceptable to broadcasters and of course totally unfair, if such differences would put them at a commercial disadvantage vis-a-vis subscription TV licensees.

I welcome the Administration's move to amend section 32A to provide for regulations made under subsection (1)(a), (d) or (f) which shall be subject to

approval of the Legislative Council. Such a move would ensure the opportunity for transparency and debate of these very important regulations before they are adopted by this Council.

The original section 33 in the Bill was unacceptable to broadcasters and journalists alike. The power to require broadcasters to prerecord programming provided for in the existing law has not, as far as I can remember, been exercised here, at least not in the last 20 years. Although the three tests in the proposed section 33 may arguably render it compatible with the Bill of Rights, the whole concept of pre-broadcast censorship is outdated and repugnant, and I am therefore glad that the Administration has accepted the Committee's request to repeal this section altogether. The new proposed section 33, which gives the Chief Secretary the channel to apply to the High Court for an order to prohibit programmes on any of the three grounds of inciting hatred, causing breakdown in law and order, and damaging public health or morals, is adequate to safeguard public interest. The redrafted subsection (3) is an improvement on the original, as it explicitly states that application shall be made by motion or summons, so that *ex parte* application would only be reserved for cases of urgency. I ask for an assurance from the Administration that should the need arise, it should make every effort to apply by motion or summons so that the broadcaster concerned would have the chance to be heard before the decision on the order is taken by the court.

During the course of considering the Bill I have spoken repeatedly about the need to make the appeal process against the Broadcasting Authority's decisions more transparent. Furthermore, despite the amendment to section 39 to remove the Executive Council's explicit right to withhold information from any source to the appellant, I am not totally satisfied that the law guarantees the fairest and most equitable consideration of information and evidence of the two affected parties, that is, the appellant and the Broadcasting Authority, by the Governor in Council. I intend to return to this issue when the comprehensive review of legislation relating to broadcasting takes place next year. In the meantime, I urge the Administration and the Broadcasting Authority to do everything they can to improve the process of the Broadcasting Authority's dealing with and ruling on licensees' alleged contravention of Codes of Practice, regulations and licensing conditions by making it more transparent and fair, and accountable for its decisions by making public the grounds and reasons for them and by ensuring that the judgement on which they are based must accurately reflect the judgement of the majority of the community.

MR MARTIN LEE: Mr President, I wish to address this Council on one point only, and that relates to the power of the Broadcasting Authority to impose financial penalties under section 37 of the Television Ordinance.

Clause 36 of this Bill only seeks to make a consequential amendment to section 37(2)(b) of the Ordinance. But during the deliberations on this Bill by the Bills Committee, a number of Members expressed their grave reservations

about the wisdom of giving power to the Broadcasting Authority to impose financial penalties on commercial television broadcasters.

Section 37 reads as follows:

- "(1) The Broadcasting Authority may, by notice in writing addressed to the licensee, require the payment of the financial penalty specified in such notice.
- (2) Financial penalties may be imposed:
- (a) for failure to comply with any of the conditions of the licence;
  - (b) for failure to comply with any provision of this Ordinance or any regulation made by the Governor in Council;
  - (c) for failure to comply with any Code of Practice; or
  - (d) for failure to comply with any direction or order issued or made by the Broadcasting Authority under this Ordinance.
- (3) The financial penalties imposed under this section shall not exceed \$50,000 for the first occasion on which a penalty is imposed, and shall not exceed \$100,000 for the second occasion on which penalty is imposed for whatever reason, and shall not exceed \$250,000 for any subsequent occasion on which a penalty is imposed for whatever reason.
- (4) No penalty shall be imposed under this section except where the Broadcasting Authority is satisfied that the licensee has been afforded reasonable opportunity of complying with the particular requirement."

It is, therefore, clear that the Broadcasting Authority will effectively be both prosecutor and judge.

Under section 38 of the Ordinance, the aggrieved licensee can only appeal by way of a petition to the Governor in Council.

In short, therefore, the power to prosecute, pass judgement and sentence, and to deal with the appeal (if any) is all in the hands of the executive.

Nowhere else can we find another example like this in our laws. For even in the case of a fixed penalty imposed by a traffic warden for a minor traffic infringement, the accused driver has a choice of either paying the fixed penalty or disputing the charge before a Magistrate.



Mr President, we, Members of this Council, must be vigilant in insisting that there be a separation of power, particularly in the run-up to 1997. And this means that the Legislative Council shall make the law; that the executive shall carry out the law; and that the courts shall adjudicate on the guilt or innocence of any person accused of any infringement of the law and impose any penalty permitted by law in case of a conviction.

Mr President, I understand that the commercial television broadcasters have no objection to this section. Maybe because they feel that the Broadcasting Authority has been extremely fair in exercising its power under section 37. Or perhaps the penalties imposed were less than what the licensees deserved. But whatever the reason, the fact that these commercial television broadcasters have no objection is no reason for us to accept the situation. After all, there can be no guarantee that the Broadcasting Authority will always be fair and will never abuse its power, a power that it should never have, by, for example, threatening a licensee not to televise a particular programme under pains of a hefty financial penalty.

In any event, I completely fail to see why this power to penalize should not be given to the courts which are the only legitimate forum to determine whether any infringement of the law has been established, and if so, what penalty (if any) should be imposed for the breach.

For these reasons, I urge the Administration urgently to bring an end to this anomaly in our law by removing this power to impose financial penalties from the Broadcasting Authority and vesting it instead in the courts.

Mr President, with these reservations, I support the Bill, but not because Mr Howard YOUNG has told us not to play games. I do not think it is proper for a convenor, in fact, to insinuate in whatever form that anybody not agreeing with his views would be playing games.

MR LAU CHIN-SHEK (in Cantonese): Mr President, I would like to congratulate the Bills Committee for its remarkable job. And I only wish to point out here that it is necessary for the Administration to consider providing for the subscription television broadcaster to set up a public access channel.

Public access channel is very common in the subscription television systems in Europe and the United States. Basically, the general public could gain access to such a channel free of charge, which would carry the programmes produced by them on a first-come-first-served basis. In this way, opportunities are made available for different voices, views and ideas in our society to be aired through public mass media. Furthermore, many licensees of the cable television networks around the world even provide the public with studios and facilities to produce their own programmes.

I think that a public access channel in Hong Kong would be of great benefit to individuals and social groups in our community, especially those in a disadvantaged position on economic and social fronts, because the channel could offer them more equal opportunities to put forward their opinions, views and values through the mass media. Furthermore, such a public access channel may serve as a forum for people of different persuasions to exchange their views so that better communication and understanding in the community at large could be achieved. For instance, if there had been a public access channel in Hong Kong, parents of the mentally handicapped, who have been neglected and discriminated against in our society over the years, could have taken their case to the public with regard to the predicament the mentally handicapped are in through the said medium. This may have headed off the opposition by the residents in Tung Tau Estate against the establishment of a hostel for the mentally handicapped.

According to the provisions concerned, the subscription television licensee is required by the Government to make available a prescribed number of channels not exceeding three for government use. I raised a question in this Council last October asking the Government whether there was any plan to utilize one of these channels to provide a public access channel. But the Government was quite evasive in its reply. It is understood that the subscription television broadcaster will make use of microwave transmission during the early stage of its broadcasting. For this reason, it can only provide up to a total of 20 channels. And the Government also has no intention to utilize any channel to carry its programmes in the foreseeable future. But I think the subscription television licensee, which is Wharf Cable, has the obligation to designate one of the 20 channels a public access channel to be included in the 12 basic integrated channels in order that all subscribers could receive and view the programmes. To follow up this proposal, I am going to discuss this matter with the management of Wharf Cable this week.

Mr President, as one who has been engaging in grassroots work for many years, I always come in touch with different kinds of people at risk. Their stories, their lives and their opinions are very much worth the community's attention. However, the existing media rarely report on these people in a comprehensive and realistic way. For these reasons, I sincerely hope that the subscription television broadcaster could set up a public access channel as early as possible.

Mr President, these are my remarks.

MISS EMILY LAU: Mr President, in the past two months members of the Bills Committee have worked frantically in order to provide a legislative framework for the licensing and control of subscription television. After the passage of the Bill I hope the Government can swiftly secure the Chinese Government's agreement and co-operation so that a licence can be granted to Wharf Cable next month. After waiting for so many years, Mr President, many Hong Kong

people rightly expect to be able to watch subscription television programmes in the autumn. I sincerely hope they will not be let down once again.

Mr President, during the Bills Committee discussions members unanimously demanded the abolition of some sweeping powers over broadcasting. Similar demands were made by the Hong Kong Journalists Association and the Bar Association and were supported by Wharf Cable. I must say the Government's readiness to accede to our demands has taken me by surprise. Perhaps the desire to enact this law quickly has made the Government much more amenable or maybe we have truly entered the age of open, enlightened and liberal administration. I certainly expect an equally liberal and co-operative response when we discuss the Film Censorship (Amendment) Bill later this year, particularly over the section on political censorship.

Mr President, whatever the reasons may be for the Government's change in attitude, I welcome the amendments to be moved by the Secretary for Recreation and Culture which will delete the power of prior censorship by the Broadcasting Authority and the power to ban television programmes by the Executive Council. I also welcome the Government's proposal to repeal the ridiculous section 36 which gave the Broadcasting Authority power to prohibit the broadcasting of any material rendered, passed or selected by any person named by the Authority.

Mr President, these powers are in breach of Article 16 of the Bill of Rights Ordinance which guarantees the freedom of expression and should have been removed when the Bill of Rights was enacted in 1991. The amendments in the original Bill and those to be moved by the Secretary this afternoon mark the end of a draconian and anachronistic piece of legislation enacted almost 30 years ago. If the amendments are endorsed by this Council, the power to prohibit the broadcasting of television programmes will in future lie with the Judiciary. While I do not support censorship I accept that our independent Judiciary should be the arbiter when disputes arise between the Government and a television licensee.

Mr President, I also welcome the Government's agreement to conduct public inquiry on the revocation of licence except when the revocation is due to financial insolvency of the licensee or failure to pay royalties. We all appreciate that revocation of a television licence is a very serious matter and so should be handled cautiously and with the maximum degree of transparency.

Mr President, there is also concern over the Governor in Council's power to make regulations on the broadcasting of programmes. To allay our fears, the Administration has assured us that the regulations in the form of subsidiary legislation will be subject to approval by this Council. We have also been given an undertaking that custodial sentence will not apply to programming violations.

Mr President, for a number of years the Government has been urged to introduce an omnibus Broadcasting Bill which will provide a comprehensive,

coherent framework for government policy on broadcasting. I look forward to scrutinizing the Bill when it is introduced into this Council in the next Session.

With these remarks, I support the Bill.

MR MAN SAI-CHEONG (in Cantonese): Mr President, the amendments proposed by the Television (Amendment) Bill, though they fall short of perfection and fail to put together at one go a set of legislation which fully reflects the telecommunication policy of Hong Kong, nevertheless have my full and ready support in that the amendments seek, among other things, to expunge certain provisions which are either obsolete or which infringe on the freedom of expression or which contravene the Bill of Rights.

During the scrutiny of this Bill, the Administration showed an exceptional readiness to take good advice and follow public opinion by agreeing to delete those provisions in clauses 33 and 35 of the amendment Bill which provide for the power to preview programmes before broadcast, as well as the power to prohibit the broadcast of certain programmes and which are in purported breach of the freedom of expression under the Bill of Rights. The freedom of expression and freedom of information are indispensable and important elements in a free and democratic society. If the Government is bent on having its own way to interfere with the freedom of expression and of the press through administrative means, this will, apart from suppressing the freedom of expression and of information, weaken the foundation for democratic freedom of Hong Kong. As a matter of fact, the previewing policy originally made under section 33 is a measure devised out of groundless fear, because the Authority already has sufficient post-broadcast restraining power in the way of requiring a TV broadcaster to observe and abide by the law on pain of monetary penalties, imprisonment or even revocation of licence which are each a sufficient deterrent to discourage a TV broadcaster from broadcasting, at the risk of incurring a monetary penalty or a revocation of licence, any programmes or part thereof which are likely to incite hatred against any group of persons by reason of race, sex, religion or nationality, or cause a general breakdown in law and order and damage public health and morals.

With regard to the relaxation by the Government of the rule against one TV broadcaster owning a capital stake in another TV broadcaster and setting a new permissible limit of no more than 15% of the capital stake owned, this is a means to discourage cross media ownership in order to prevent any one electronic media group from owning too much of a capital stake in the broadcasting industry, thus dominating the broadcasting industry and becoming a super mass media group, resulting in unfair competition. We welcome such a move because it will ensure a reasonably well diversified market and fair competition, promote the development of the electronic mass media and eventually benefit the audience as well as the public.

The Government is going to issue licence to the subscription television broadcaster under the Television (Amendment) Bill to facilitate the early commencement of broadcast of subscription television, which will offer to the public an even greater variety of programmes from which the audience can choose the ones they like in order to enrich their lives. With such a diversified information, entertainment and education network, the public can then keep abreast of the present era of "modern information explosion", and thus achieve the objective of self enrichment.

Mr President, with these remarks, I support the amendment Bill.

MR JAMES TO (in Cantonese): Mr President, one of the objectives of the present amendment to the Television Ordinance is to "amend outdated provisions or provisions which give far too broad powers to the Broadcasting Authority". Section 37 of the Television Ordinance provides that the Broadcasting Authority may impose a monetary penalty for breach of: (1) licence conditions; (2) Television Ordinance; (3) Code of Practice; and (4) guidelines issued by the Broadcasting Authority. What puzzles me is: how could such a provision have survived in the constitutional system of today? The provision in question is a unique provision in that it effectively makes the Broadcasting Authority both prosecutor and judge. It is a flagrant breach of the rules of natural justice because to judge whether the prescribed television standards have been breached involves the input of subjective opinion.

According to the principle of the tripartite division of powers, it is for the legislature to enact laws, the executive to enforce them and the independent judiciary to interpret and apply them in adjudicating on disputes. Applying the above principle against the backdrop of the Television Ordinance, the conclusion arrived at is: The appropriate approach for the Broadcasting Authority to take is to formulate certain codes of practice or standards (for example, as to what would constitute obscenity or violence); the Authority should never be charged with the responsibility both to formulate standards and to adjudicate on whether a licensee is in breach of the system of standards, still less to impose a monetary penalty for breach. The Administration contended that this was akin to "administrative penalty". Going through other laws and Ordinances of a similar kind, including laws of a regulatory nature, I have failed to identify provisions that lay down penalties of this sort. By a contrived stretch of the imagination, we might say that there are provisions of this sort — though not in Hong Kong — in a neighbouring jurisdiction, namely China, where the security departments do have the power to impose administrative penalties.

Now, to return to the laws of Hong Kong. I would like to cite a few laws or provisions of a regulatory nature to see if there are instances of "administrative penalties". The Office of the Commissioner of Banking, the Insurance Authority and the Securities and Futures Commission are regulatory authorities. If they discover any irregularities, the proper course open to them

is to institute prosecution against the offending licensed brokers, bankers or insurers and to leave it to the courts to impose monetary penalties. Another example would be the Urban Services Department and the Urban Council who are the licensing authority for hawkers but who are under the law not competent to revoke a hawker's licence or to fine a hawker for obstruction; these are for the courts to enforce. By way of counter-argument, however, the example might be cited of the Inland Revenue Department notifying a taxpayer of a fine or surcharge of, say, \$500 for failure to submit a tax return within the prescribed limit of one month or for some technical irregularity, upon payment of which no prosecution will be instituted. Yet the taxpayer is free to elect to go to court to contest the claim of failure to submit a tax return in time and, if the court should find against him, to see how much the fine would be. Therefore the question of the Commissioner of Inland Revenue unilaterally imposing a monetary penalty does not arise. One further example that could be cited would be the fixed penalty ticket system, which, it may be argued, is analogous to the penalty-imposing power of the Broadcasting Authority, an observation made by Mr Martin LEE a while ago. In actual fact, no analogy could be drawn between the two systems because the person in receipt of the fixed penalty ticket for illegal parking can elect to go to court to argue that at the material time his vehicle was not in the location in question, or to otherwise present his case as he sees fit.

Therefore, after scrutinizing a number of specious examples, I have failed to find one single reason that can convince me of the propriety of having an executive department or a non-judicial organ mete out monetary penalties. Neither have I found any analogous or similar system in the course of my scrutiny of past rulings or judgments as to the regulation of standards (such as those that relate to the print media). This can serve to prove that the principle on which I rely is correct. Allow me to quote the example of the Obscene Articles Tribunal which is a quasi-judicial body to assess standards as regards the obscenity or indecency of an article (including a publication). It is for the Administration to institute prosecution for a breach of the law and it falls to the courts to hand down penalty. Under the film censorship system it is the Television and Entertainment Licensing Authority who grade films and it falls to the Administration to institute prosecution and the courts to impose penalty for any breach of the law. However, in the provisions now before us, the Broadcasting Authority is both prosecuting and handing down penalty. It must be remembered that the Broadcasting Authority does not adopt the adversarial system as the courts do, its adjudication proceedings lack transparency and there is no *corpus* of precedents for the Broadcasting Authority to draw on.

I would like here to respond to a few counter-arguments. It has been contended that the present system has been working well (a point argued by the Administration) and that the licensees are having no objection to the way the system works. I would say that this involves a point of constitutional significance, not whether the licensees are satisfied or not. If such a precedent got established in our law, would we not have cause to worry that one day a

body or organ might draw on this precedent and become vested with the power both to prosecute and to impose penalty?

Another counter-argument is that we already have an appeal system in place, namely appeal to the Executive Council, to ensure that justice is done. I should like to tell Members that under the existing system an appeal will lie to the Executive Council, not the courts, not even the Administrative Appeals Board as to the establishment of which we have had a Bill read the First time before this Council today. Although I understand from some sources that the Administration is saying consideration can be given to bringing appeals before the Administrative Appeals Board (that is to say, the Board in respect of which a Bill was introduced today), yet the basic question is that in discussing breaches of the law and the relevant standards we are not addressing the propriety of an administrative decision but the issue of penalty; in other words, we are addressing the question of an appeal lodged by one who has been found in breach of the Ordinance and given a penalty. Therefore it is not an appeal which goes to the question of how much should be the appropriate fees or charges but to the question of penalty. It is in this regard that the Administration is proposing to amend section 39 of the Ordinance. As a matter of fact the appeal system provided for under the principal Ordinance fails to allow the appellant the opportunity to contest the allegations made against him or to rebut the information laid against him. Fortunately, I understand that the Secretary for Recreation and Culture will be moving an amendment to the provision in question. Be that as it may, I still consider that the crucial question will not have been resolved.

The Administration may argue that we can have recourse to judicial review should the need arise. But the question remains: (1) that the act complained of is not an administrative act, but a judicial or quasi-judicial act, as has been observed earlier in my speech; (2) that having regard to sections 38 and 39 of the principal Ordinance which expressly provide for appeals to lie to the Executive Council, it is open to doubt whether judicial review can be applied for to review the Broadcasting Authority's decision to impose a penalty; and (3) that even if judicial review is available, there will be very limited room in which the court will feel free to intervene because the judicial review process will only allow the court to inquire into the procedural aspect of the way a decision was arrived at, but not to retry the case on its merits.

One counter-argument is that if the Broadcasting Authority is not competent to impose a monetary penalty, it will be unable to enforce the relevant standards and provisions, which will leave the Authority with no effective power of enforcement other than the draconian power of revoking the licence by way of a deterrent to a licensee in breach.

One further counter-argument is that if the Broadcasting Authority is not competent to impose a penalty, it will be a "toothless tiger" in its attempt to regulate programmes with excessive sex or violence and that such an eventuality will be unwelcome.

My response to all these counter-arguments is: (1) I am not suggesting that revocation of licence should be preferred; a system of monetary penalties is still a practicable option but it should fall to the courts, not the Broadcasting Authority, to hand down such penalties. (2) There is no reason for us to suspect that the courts will tend to hand down lenient penalties while the Broadcasting Authority will mete out heavier ones and hence to assume that the Broadcasting Authority is better suited to regulate programmes with overtones of sex and violence while the courts are not so suited. If we harbour such suspicions, how can we draw comparison with similar provisions such as those in the Obscene and Indecent Articles Ordinance?

It has been contended that referral of purported breaches to the courts will result in programme standards becoming stricter because it will turn the broadcasting of offending programmes into a criminal offence. Would that not, asks the critic, be taking it much too seriously and would that not unduly enhance the Administration's power so that it can commence criminal proceedings against a licensee at the drop of a hat, so to speak?

My response to that is: Criminal offences differ in gravity and are classified as serious and minor offences respectively. Some very simple breaches of the law are classified as criminal offences, for example, obstruction by hawkers, littering and even illegal parking. Moreover, many regulatory offences, such as failure by a company to file an annual account return with the Companies Registry, are in theory and in nature criminal offences. Therefore the point made is not maintainable. I have discussed with the Legal Adviser in some detail as to whether it would be possible to embark on a full-scale amendment exercise. I have discovered, however, that such an exercise would involve amending numerous provisions and that, if the exercise should envisage the setting up of a body similar to the present Obscene Articles Tribunal which would have financial implications on public expenditure, the consent of the Administration would be required. Therefore I have been unable to draft the necessary amendments in such a short time.

The Administration has given an undertaking (I hope the Secretary for Recreation and Culture will elaborate on this) that in the not too distant future a comprehensive review will be made of the laws governing broadcasting and the mass media. I hope that the review will take full account of the constitutional points I made earlier in my speech. I will therefore maintain an attitude of reservation and will decide whether to introduce amendments after I have gone over the recommendations that will emanate from the review.

Finally, after reading the text of the amendments to be moved at the Committee stage, I have discovered a glaring contradiction in terms of logic:

- (1) The amended text goes something like this: Who shall be responsible for imposing a penalty for breach of the Television Ordinance? The Broadcasting Authority. Who shall be responsible for imposing a penalty for breach of subsidiary legislation under the



main Ordinance? The courts. I really cannot imagine why it should be like this. This is a classic example of giving matters of secondary importance precedence over matters of primary importance.

- (2) The upper limits of fines under the main Ordinance and the bylaws are also inconsistent with each other. The courts may impose a maximum fine of \$100,000 for a breach of a bylaw whereas the Broadcasting Authority may impose a fine of \$250,000 for a breach of the main Ordinance; in other words, the power of the Broadcasting Authority is greater than that of the courts.

As regards the provisions of the Bill of Rights Ordinance, Miss Emily LAU has already elaborated on those and I will not repeat them. I would accept and welcome the removal by the Administration of the Broadcasting Authority's power to precensor programmes and the Executive Council's power to prohibit the broadcasting of programmes. And lastly, I support Mr LAU Chin-shek's suggestion for a "public access channel" to be opened.

SECRETARY FOR RECREATION AND CULTURE: Mr President, I am most grateful to the Honourable Howard YOUNG and members of his Bills Committee for their hard work and thorough examination of this Bill. They have done a most admirable job within a very tight time frame and their comments and suggestions have been very helpful and constructive. As a result of their deliberations, I shall move a number of Committee stage amendments to the Bill. These will not only improve the Bill's appearance but will also and, as a result, help us to implement the policy reflected in this new legislation more effectively.

When I moved the Second Reading of the Bill on 13 January, I informed Members of a possible need to issue a "transitional" licence under the Telecommunication Ordinance to facilitate the early launch of the subscription television service. The excellent progress made in processing this Bill in the Bills Committee has enabled us to dispense with this now. I shall, therefore, be proposing amendments to expunge from the Bill all references to the "transitional" licence under that Ordinance.

I now return to the Bills Committee's request that I provide some clarifications of, and assurances on, a number of matters raised during discussion on the Bill. These matters have also been touched on by Members who have just spoken on this Bill.

The first point relates to the amendment to section 8 of the Ordinance which provides the Governor in Council with the power to amend, in the public interest, any of the licence conditions in licences he grants, at any time during the period of the licence.

Members asked that I give an indication of what is meant by the phrase "in the public interest". The phrase "in the public interest" is not normally defined in legislation or licences, and I shall not attempt to do so today. I shall instead suggest the parameters within which this provision might be invoked in broadcasting licences.

Our intention in using the word "public" is to indicate that it pertains to the people of Hong Kong. It would follow that the phrase "in the public interest" would be something that would be on behalf of the community as a whole. The public interest would appear to be something more than an interest on the part of many members of the public, each from the standpoint of an individual. There would need to be very strong public policy considerations weighing in as well if amendments to a licence were to be made on behalf of a mere segment of the community.

It is possible to envisage some general areas mentioned in licence conditions which might be subject neither to regulations made under the Ordinance, nor to Codes of Practice issued by the Broadcasting Authority. Examples of such areas in relation to subscription television would include quality control and programme line-ups, roll-out and transmission provisions, minimum broadcasting hours, customer service and the licensee's procedures for dealing with public complaints. Another area in which we would be vigilant is to counter transactions on the part of a licensee to avoid or circumvent the spirit or intention of the licence. These would be some areas where, if the need were to arise, the only means to achieve a result that would be justifiable in the public interest would be by amending conditions in the licence.

In considering possible amendments to the licence conditions, it would be necessary for the Governor in Council to balance the benefit, likely to accrue to the public following the amendment with any possible detriment to the licensee. It is important also to note the safeguards contained in the licence that would need to be followed if amendments are to be made. These would entitle the licensee (a) to be consulted, (b) to make representations to the Governor in Council, and (c) to have the last say to the Governor in Council on recommendations put to that Council.

The second point concerns the amendment to the cross-media ownership rules proposed in the Bill. The Bill, as originally drafted, provides for commercial television broadcasting licensees to be able to acquire any amount of the share capital of the subscription television licensee, whilst the subscription television licensee is restricted to acquiring a maximum of 15% of the share capital of a commercial television licensee. This flows from an earlier policy decision that bids for the subscription television broadcast franchise should not be restricted in any way.

The Administration agrees with the view forwarded by Wharf Cable Limited and accepted by the Bills Committee that this justification no longer applies and that, in the interests of fairness, the same set of cross-media

ownership rules should apply to all broadcasters licensed under the Television Ordinance. I shall, therefore, be moving an amendment to the Bill which will result in all existing licensees and the prospective licensee not being allowed to acquire in excess of 15% of the share capital of any other licensee. This is to prevent any one broadcasting licensee from dominating the broadcasting industry.

The third point relates to prerecording or previewing of programmes. In the course of examining the Bill, certain members of the Committee were clearly opposed to the proposed section 33, empowering the Broadcasting Authority, under specified specific circumstances, to require the licensee to prerecord programmes and submit them for approval before broadcast.

In re-examining this provision, I am mindful on the one hand of Members' concern about the need to protect freedom of expression and, on the other hand, the need to prudently retain a modicum of powers by the Administration to exercise prior restraint, so as to prevent damage being caused, rather than to rely on sanctions after damage has been caused. After all, closing the gate after the horse has bolted is of little comfort to anyone!

After careful consideration, an alternative framework has been devised and is embodied in clause 31 with a new section 33 and with a similar provision as regards sound broadcasts for the Telecommunication Ordinance. In brief, we propose:

First, to make it a requirement for the licensee not to broadcast programmes that are likely to incite hatred against any group of persons by reason of race, nationality, sex or religion, or cause a general breakdown in law and order, or gravely damage public health and morals. Secondly, the Broadcasting Authority would have the power to impose sanctions, should there be any contravention of this section. Thirdly, we provide for the Chief Secretary to apply to the High Court to prevent the broadcast of any programme which he has reason to believe is likely to give rise to the damage that I have just mentioned. The decision to prohibit the programme or otherwise would rest with the High Court.

The fourth point relates to the procedures governing revocation of a licence. The Bills Committee is of the view that the proceedings of the Broadcasting Authority, if they ever have to consider revocation, should be more open and transparent. I accept the concern raised by Members and propose to amend the Bill to give effect to the following:

In essence, the Administration intends to make it mandatory for the Broadcasting Authority to conduct an inquiry when considering revocation of a licence. Except where the grounds are financial insolvency or failure to pay royalties or other fees on the part of the licensee, the Broadcasting Authority shall be required to conduct a public hearing as part of such an inquiry, and shall publish a report on the public hearing.

The fifth point concerns the power of the Broadcasting Authority to impose financial penalties. The Bills Committee agreed with the Administration that the Broadcasting Authority's ability to impose financial penalties on licensees is a simple and speedy sanction against transgressions. However, some Members were of the view that, as a matter of principle, such power should more appropriately be vested in the courts.

As I explained to the Bills Committee, I am of the view that the whole question of the appropriateness of any of the penalties which may be imposed by a regulatory body such as the Broadcasting Authority should best be examined by the Administration in a wider policy context, and not be dealt with in isolation in relation to television broadcasting alone in this Bill. I think it would be inadvisable to alter the system for commercial and subscription television which falls under the purview of this Ordinance, and leave for later satellite television and radio because they are regulated under a different Ordinance. In the interest of fairness and uniformity of treatment, any changes to the penalty system would need to be introduced simultaneously and be applied to the industry across the board, and not piecemeal.

In this connection, let me inform Members that the Administration intends to introduce to this Council a Broadcasting Bill that will bring together, in a single piece of legislation, provisions affecting the whole range of sound and television broadcasting. The Administration undertakes to examine in the context of that Bill the appropriateness of penalties which the Broadcasting Authority should be able to impose. I hope to bring this piece of comprehensive legislation to this Council in the 1993-94 legislative Session.

My final point concerns the appeals avenue available to persons aggrieved by decisions of the Broadcasting Authority. In a bid to improve the transparency of appeal proceedings, Members argued that appeals against decisions of the Broadcasting Authority should be devolved from the Governor in Council and be heard by an independent body.

I fully appreciate Members' concern to have appeal proceedings more open. But for the reason I outlined in respect of penalties, the Administration does not intend to move any amendment concerning appeal avenues under this Amendment Bill. However, I assure Members that the matter will be examined in greater detail in the context of the Broadcasting Bill. As part of this examination, I expect to look into the possibility of putting appeals against decisions of the Broadcasting Authority to the Administrative Appeals Board, the legislation for which has just been introduced into this Council.

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

*Question on the Second Reading of the Bill put and agreed to.*

Bill read the Second time.

*Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).*

### **Committee stage of Bills**

Council went into Committee.

### **APPROPRIATION BILL 1993**

CHAIRMAN: We shall consider the Schedule first in accordance with Standing Order 55.

Heads 21 to 194 were agreed to.

CHAIRMAN: We shall now consider the remainder of the Bill.

Clauses 1 and 2 were agreed to.

### **HONG KONG INDUSTRIAL TECHNOLOGY CENTRE CORPORATION BILL**

Clauses 1 to 5, 7, 9, 11 to 13, 16 to 20 and 22 to 25 were agreed to.

Clauses 6, 8, 10, 14, 15 and 21

SECRETARY FOR TRADE AND INDUSTRY: Mr Chairman, I move that the clauses specified be amended as set out in the paper circulated to Members.

The amendment to clause 21(3)(c) seeks to specify the nature of inquiry or investigation intended to be covered.

A new subclause 21(6) provides definitions for "official investigation" and "official inquiry" in clause 21 of the Bill, which are necessary consequential to amendments made to clause 21(3)(c).

The other amendments to the Bill aim to improve the legal language.

*Proposed amendments***Clause 6**

That clause 6(1) be amended, by deleting "a provision of this Ordinance apart from this subsection" and substituting "any other provision of this Ordinance".

That clause 6(3)(a) be amended, by deleting "存款" and substituting "款項".

**Clause 8**

That clause 8(3) be amended, by adding "同時" after "科技公司".

**Clause 10**

That clause 10(4) be amended —

- (a) by deleting "以便".
- (b) by adding "以便" after "計劃".

**Clause 14**

That clause 14(2) be amended —

- (a) by deleting "以票面值向政府發行" and substituting "將".
- (b) by adding "以票面值發給政府" after "所定").

**Clause 15**

That clause 15 be amended, by deleting "向政府發行" and substituting "發給政府".

**Clause 21**

That clause 21 be amended —

- (a) in subclause (3)(c), by deleting "or any inquiry or investigation instituted or commenced in Hong Kong or whose institution or commencement" and substituting -

", criminal or official investigation or official inquiry instituted, commenced or conducted in Hong Kong or whose institution, commencement or conduct".

(b) by adding -

"(6) In this section "official investigation" (正式調查) and "official inquiry" (正式查訊) means an investigation or, where appropriate, an inquiry instituted, commenced or conducted pursuant to any Ordinance or instituted, commenced or conducted by or on behalf of a public body."

That clause 21(1)(c) be amended, by deleting "查閱" and substituting "取用".

*Question on the amendments proposed, put and agreed to.*

*Question on clauses 6, 8, 10, 14, 15 and 21, as amended, proposed, put and agreed to.*

Schedule was agreed to.

### **TELEVISION (AMENDMENT) BILL 1993**

Clauses 1, 2, 4, 10, 11, 13, 16 to 18, 20 to 27, 29, 32, 34, 37, 39 to 45, 48 and 50 to 58 were agreed to.

Clauses 3, 5 to 9, 12, 14, 15, 19, 28, 30, 31, 33, 35, 36, 38, 46, 47 and 49

SECRETARY FOR RECREATION AND CULTURE: Mr Chairman, I move that the clauses specified be amended as set out in the paper circulated to Members.

In view of the large number of amendments involved, I have grouped related items together and I propose to take Members through them on this basis.

First, the amendments to clauses 3(1)(d), 3(2), 7(a) and 7(c) are made to expunge from the Bill references to a "transitional licence" being granted under the Telecommunication Ordinance. As explained in my earlier speech, this provision is no longer required.

Next, I would deal with the amendments concerning the level of penalties for offences created in the Bill. Clause 5 is amended to shorten the range of custodial sentence for persons convicted of broadcasting without a licence. The Administration proposes to apply the same limits on the terms of imprisonment

for persons convicted of breaching any regulations made under the Television Ordinance, should the regulations themselves make such breaches an offence. Amendment (f) to clause 30 is made to this effect. These amendments are proposed in response to the Bills Committee's concern over the severity of the sentences originally proposed.

I turn now to amendment (a) to clause 6 which refers to the power of the Governor in Council to amend any of the conditions set out in a licence in the public interest. Underlying reason for and the parameters under which this "public interest" provision can apply for the purpose of this Ordinance have been given as examples in my earlier speech.

The next two amendments concern restrictions in respect of subscription television broadcasting. The policy intent is to issue a 12-year licence following the passage of this Bill. Should the first subscription television licensee wish to take a shorter-term licence, amendment (b) to clause 7 provides the enabling power to replace this shorter-term licence with subsequent licences, without in any way altering the period of exclusivity which shall be three years from the date of the first licence.

Amendments are proposed to clause 12 including the new clause 12A to make the licence revocation proceedings more transparent. The rationale behind these amendments is clearly explained in my earlier speech.

In this context, an amendment to clause 38 is proposed also to increase the transparency of the appeals proceedings if licensees appeal against decisions of the Broadcasting Authority. This amendment is made having regard to the appellant's right to know all the facts that are being laid before the Governor in Council concerning his appeal, and his right to make representations on those facts.

Clause 28 is amended to provide that the Codes of Practice issued by the Broadcasting Authority may include restrictions on the time of day when programmes and advertisements may be broadcast.

A number of amendments are proposed to clarify the nature of regulations to be made under this Ordinance, and the sanctions for contraventions.

The amendments to clause 30(a), (b) and (c) specify in more precise terms the scope of regulations that can be made under the Ordinance.

In response to the Bills Committee, we agree that some of the regulations which may be made under section 32A(1) shall be subject to the prior approval of the Legislative Council. Amendment (d) to clause 30 gives effect to this.



Amendment (e) to clause 30 makes a deletion of a section which is inappropriately placed. An identical provision is reinstated under amendment (i) to clause 30 which creates a new section 32(C).

The following amendments deal with matters relating to "unauthorized decoders":

Under clause 30(h), section 32B(4) is substantially amended to clarify the power of the Telecommunications Authority to enter and inspect premises where unauthorized decoders are believed to be held.

The legislative intent is to empower the Telecommunications Authority to enter and search premises, other than those used for dwelling purposes, when he has reasonable grounds to believe that unauthorized decoders are being held there in the course of trade and business.

Where premises used for dwelling purposes are involved, they may be entered and searched only if a warrant issued by a magistrate so authorizes. Prior to issuing this warrant, the magistrate must satisfy himself that unauthorized decoders are being held at the premises by, or on behalf of, a person who has contravened this section.

We have also reviewed the penalty for persons convicted of importing, manufacturing, or selling unauthorized decoders in the course of business. Amendment (g) to clause 30 proposes increases in the fines which may be imposed.

I have explained to Members in my earlier speech moving the resumption of the Second Reading of this Bill the new arrangements that are proposed in connection with the prohibition of programmes under specified circumstances. The amendments to clauses 31 and 47 are to give effect to this mechanism and related matters.

Concerning the procedures for seeking a court order, the new section 33(3) provides that an application may be made for an interim but not final order when the licensee is not represented, but only in case of urgency.

Under sections 33(5) and 33(7), any person required by the High Court to produce material relating to the court order must do so, unless the material relates to items subject to legal privilege. Section 33(6) provides that material supplied shall not be admissible in any criminal proceedings against the licensee or the person producing it. This new subsection is added to meet the concern of Members that an individual who is required to submit information to the court should be protected from self-incrimination.

Section 33(8) explains the scope of rules of court which can be made under section 54 of the Supreme Court Ordinance and section 33(10) provides for the jurisdiction of the High Court under this section of the Television

Ordinance to be exercised only by a judge not by the Registrar or a master of that court.

I now turn to the amendment made to clause 36. This is to remove the possibility of a licensee being subject to a penalty imposed by the Broadcasting Authority if it is liable under its performance bond with the Government or has been convicted of an offence for failing to comply with the Television Ordinance.

Amendments to clause 46 are proposed to apply the cross-media ownership rules uniformly to all licensees. The rationale for this was spelt out in my earlier speech.

Finally, Mr Chairman, there are some comparatively minor or textual and consequential amendments made to the original Bill.

Mr Chairman, with these remarks, I beg to move the amendments specified in the paper circulated to Members.

#### *Proposed amendments*

#### **Clause 3**

That clause 3(1)(d) be amended, by deleting the proposed paragraph (b) of the definition of "licence" and substituting —

"(b) a subscription television broadcasting licence granted under section 8, subject to the restrictions imposed under section 8B;"

That clause 3(2) be amended, in the proposed definition of "subscription television broadcasting licence", by deleting "either under section 7 of the Telecommunication Ordinance (Cap. 106) or" and "of this Ordinance".

#### **Clause 5**

That clause 5 be amended, in the proposed section 6B(2), by deleting "2 years" and "5 years" and substituting "6 months" and "12 months" respectively.

#### **Clause 6**

That clause 6 be amended —

(a) by deleting the proposed section 8(2)(b)(iii) and substituting -

"(iii) a condition authorizing the Governor in Council to amend in the public interest any conditions during

the period to which the licence relates, including amendments after the completion of one half of any such period;"

- (b) in the proposed section 8(2)(b)(iv), by deleting "to secure compliance by the licensee with any condition attached to the licence".

### Clause 7

That clause 7 be amended —

- (a) in the proposed section 8B(1) -

(i) by deleting "(2) to (6)" and substituting "(2) to (5)"; and

(ii) by deleting "either section 8 after the first commencement date of the Television (Amendment) Ordinance 1993 ( of 1993), or under section 7 of the Telecommunication Ordinance (Cap. 106) before the first commencement date of the Television (Amendment) Ordinance 1993 ( of 1993), refuse to grant under those provisions of either Ordinance" and substituting "section 8, refuse to grant".

- (b) by deleting the proposed section 8B(2)(b) and substituting -

"(b) Where the same person holds an initial licence granted under section 8 and subsequently, without interruption within the restricted period, holds any subscription television broadcasting licence granted under section 8, the initial licence shall be treated as -

(i) continuing without cessation;

(ii) being granted on the conditions contained in the initial grant referred to in subsection (1) and thereafter on the conditions contained in the second and, if any, subsequent grant under section 8."

- (c) by deleting the proposed section 8B(6).

**Clause 8**

That clause 8 be amended, in the proposed section 10(2), by adding "or the Telecommunications Authority" after "Council".

**Clause 9**

That clause 9 be amended, by deleting the clause and substituting —

**"9. Special conditions of licence**

Section 11(1) is amended by repealing "section 10(a) to (g)" and substituting "section 10(1)(a) to (g)".

**Clause 12**

That clause 12 be amended, by deleting paragraphs (a) and (b) and substituting —

"(a) by repealing subsections (1) and (2) and substituting -

"(1) Where the Broadcasting Authority considers that there may be cause for the Governor in Council to revoke a licence under the provisions of subsection (3), it shall conduct an inquiry and submit recommendations to the Governor in Council concerning the revocation.

(2) Before submitting recommendations to the Governor in Council under subsection (1) the Broadcasting Authority may as part of its inquiry, and shall in the case where its inquiry concerns the provisions of subsection (3)(b), conduct a public hearing in accordance with procedures for the hearing to be determined by the Broadcasting Authority.

(2A) Without prejudice to the generality of the procedures which it may determine under subsection (2), the Broadcasting Authority -

- (a) may, notwithstanding the provisions of section 46(1), divulge any specified information and document which it has received in the course of the public hearing to any person or to any specified person or treat the same as confidential; and

- (b) shall publish a report of the public hearing, together with its recommendations to the Governor in Council concerning the revocation."; and".

#### **Clause 14**

That clause 14 be amended, by deleting the clause and substituting —

#### **"14. Compulsory purchase of land, buildings, etc.**

Section 17 is amended -

- (a) in subsection (1) by repealing everything before "the Governor in Council" and substituting -

"(1) Where a notice is given under section 16,".

- (b) in subsection (2) -

- (i) by repealing "less than 6 months nor" and "or, where a licence is or has been, or is to be, revoked under section 14(3), at any time within 12 months after the giving of the direction under subsection (1)"; and

- (ii) by repealing "Secretary of State" and substituting "Chief Justice"; and

- (c) by repealing subsection (4)(a).".

#### **Clause 15**

That clause 15(b) be amended —

- (a) in the proposed section 17B(1C), by adding", without the prior approval in writing of the Broadcasting Authority," after "the licensee shall not".
- (b) in the proposed section 17B(1E), by deleting "(1F)" and substituting "(1G)".
- (c) in the proposed section 17B(1F), by deleting "subsections (1) to (1E)" and substituting "subsections (1) to (1F)".

- (d) by renumbering the proposed section 17B(1F) as section 17B(1G) and renumbering the proposed section 17B(1G) as section 17B(1F).

That clause 15(c) be amended, in subparagraph (i), by deleting "(1) to (1F)" and substituting "(1) to (1G)".

### **Clause 19**

That clause 19(1) be amended, by deleting the proposed section 20A(1)(b) and substituting -

"(b) in such manner as may be specified by the Telecommunications Authority -

(i) to co-ordinate; and

(ii) to co-operate with any other licensee or any other person who establishes or operates any means of telecommunication as may be specified by the Telecommunications Authority in,

the sharing of any of the facilities provided, regardless of whether they have been provided, or are intended to be provided, by the licensee, or any other licensee or such other person referred to in subparagraph (ii).".

That clause 19(2) be amended, by deleting paragraph (b) and substituting —

"(b) by repealing everything after paragraph (b) and substituting "to share the expenses incurred in connection with the planning, development, installation, testing, operation, maintenance and removal of any of the shared facilities.". ".

### **Clause 28**

That clause 28 be amended, in the proposed section 28(1) —

(a) by adding after "standards" -

", including, without limitation, restrictions on the time of day when programmes and advertisements may be broadcast,";

- (b) by deleting "channels" and substituting "programme services".

### Clause 30

That clause 30 be amended —

- (a) in the proposed section 32A(1)(d) -
- (i) by deleting everything before subparagraph (ii) and substituting -
- "(d) in relation to a licence granted under this Ordinance, the requirements with respect to -
- (i) the control, whether direct or indirect, to be exercised over the broadcasting of programmes and advertising material, the board of directors, or property of the licensee; or"; and
- (ii) by deleting "those restrictions" and substituting "those requirements".
- (b) in the proposed section 32A(1)(e), by adding "for the purpose of section 20C" after "Ordinance".
- (c) in the proposed section 32A(1)(f), by deleting "better".
- (d) in the proposed section 32A, by adding -
- "(1A) Regulations made under subsection (1)(a), (d) or (f) shall be subject to approval of the Legislative Council."
- (e) by deleting the proposed section 32A(2).
- (f) in the proposed section 32A(3), by deleting "2 years" and "5 years" and substituting "6 months" and "12 months" respectively.
- (g) in the proposed section 32B(2), by deleting "\$50,000" and "\$100,000" and substituting "\$100,000" and "\$250,000" respectively.
- (h) in the proposed section 32B -

- (i) by deleting subsection (4) and substituting -

"(4) Where the Telecommunications Authority or any public officer authorized in writing in that behalf by the Telecommunications Authority has reasonable ground for believing that any person imports, manufactures, sells, offers for sale or lets for hire in the course of trade or business unauthorized decoders, he may -

- (a) at such places and times nominated by him, require that person to produce for his inspection any decoder imported, manufactured or offered for sale or hire by that person in the course of trade or business;
- (b) enter and inspect any premises at, to or from which, as the case may be, he has reasonable ground for believing that person imports, manufactures, sells, offers for sale or lets for hire in the course of trade or business unauthorized decoders, and require the production to him of any books or documents relating to such decoders;
- (c) seize, remove and detain any unauthorized decoders.";

- (ii) in subsection (5), by deleting everything before "by the Telecommunications Authority" and substituting -

"(5) Where a magistrate is satisfied by information on oath that there is reasonable ground for suspecting that there is any unauthorized decoder in any premises used for dwelling purposes by or on behalf of a person whom he has reasonable ground for believing contravenes this section, he may issue his warrant authorizing such premises to be entered and searched"; and



(iii) by deleting subsection (7)(b) and substituting -

"(b) "unauthorized decoder" means a decoder which will enable encrypted television programmes broadcast by a subscription television broadcasting licensee to be viewed in decoded form without payment of a subscription."

(i) by adding after the proposed section 32B -

**"32C. Governor in Council may amend Schedules**

The Governor in Council may, by order published in the Gazette, amend Schedules 1, 2 and 3."

**Clause 31**

That clause 31 be amended by deleting the proposed section 33 and substituting —

**"33. Court may prohibit certain programmes etc.**

(1) A licensee shall not broadcast any programme, advertisement, announcement or other material, or any part thereof, that is likely to -

- (a) incite hatred against any group of persons, being a group defined by reference to colour, race, sex, religion, nationality or ethnic or national origins;
- (b) result in a general breakdown in law and order; or
- (c) gravely damage public health or morals.

(2) Where the Chief Secretary reasonably believes that the broadcasting of any programme, advertisement, announcement or other material, or any part thereof, would contravene the provisions of subsection (1), he may apply to the High Court for an order under this section.

(3) An application under subsection (2) in the case of urgency may be made for an interim order ex parte on affidavit but otherwise such application shall be made by motion or summons.

(4) On an application under subsection (2), the High Court may, by order, where it is satisfied that the broadcasting of any programme, advertisement, announcement or other material, or any part thereof,

would contravene the provisions of subsection (1), prohibit the broadcasting of the whole or any part of that programme, advertisement, announcement or other material and require any person who in the opinion of the Court would be knowingly involved in such contravention to take such steps as the Court may direct in order to give effect to the prohibition.

(5) On an application under subsection (2), the High Court may, by order, require the licensee or any other person referred to in subsection (4) to produce to the Court such material within their possession or control as relates to the programme, advertisement or announcement.

(6) Any material produced under subsection (5) shall not be admissible in any criminal proceedings against the licensee, or person, producing it.

(7) A person shall not under this section be required to furnish any material relating to items subject to legal privilege.

(8) Subject to subsection (9), rules of court shall provide for -

- (a) the discharge and variation of orders under this section;
- (b) proceedings relating to such orders; and
- (c) costs.

(9) The power to make rules of court under section 54 of the Supreme Court Ordinance (Cap. 4) shall include the power to make rules of court for the purposes of this section.

(10) The jurisdiction of the High Court under this section may not be exercised by the Registrar or a master of that Court."

### **Clause 33**

That clause 33 be amended by deleting the clause and substituting —

### **"33. Broadcasting Authority may prohibit programmes**

Section 35 is repealed."

**Clause 35**

That clause 35 be amended by deleting the clause and substituting —

**"35. Broadcasting Authority to consult affected licensees**

Section 36A is repealed."

**Clause 36**

That clause 36 be amended by deleting the clause and substituting —

**"36. Broadcasting Authority may impose financial penalty**

Section 37 is amended -

(a) in subsection (2)(b) by repealing "or any regulation made by the Governor in Council"; and

(b) by adding -

"(5) No penalty shall be imposed under this section in respect of a failure to comply with the conditions of a licence where a performance bond has been called in respect of that failure.

(6) No penalty shall be imposed under this section in respect of a failure by a licensee to comply with any provision of this Ordinance where the licensee has been convicted of an offence in respect of that failure."."

**Clause 38**

That clause 38 be amended —

(a) by renumbering the clause as clause 38(2).

(b) by adding -

"(1) Section 39(1) is amended by repealing everything after "Broadcasting Authority" and substituting a full stop."

**Clause 46**

That clause 46 be amended —

- (a) in the proposed Schedule 1, by deleting "32A" and substituting "32C".
- (b) in the proposed Schedule 2 -
  - (i) by deleting "32A" and substituting "32C";
  - (ii) in Part I, by deleting item 1;
  - (iii) in Part II, item 3, by adding "television" after "satellite"; and
  - (iv) in Part II, by adding -
    - "4. The company which is the holder of the initial licence referred to in section 8B(1).".
- (c) in the proposed Schedule 3, by deleting "32A" and substituting "32C".

**Clause 47**

That clause 47 be amended by deleting the clause and substituting —

**"47. Section substituted**

Section 13M of the Telecommunication Ordinance (Cap. 106) is repealed and the following substituted -

**"13M. Court may prohibit certain programmes etc.**

(1) A licensee shall not broadcast any programme, advertisement, announcement or other material, or any part thereof, that is likely to -

- (a) incite hatred against any group of persons, being a group defined by reference to colour, race, sex, religion, nationality or ethnic or national origins;

- (b) result in a general breakdown in law and order; or
- (c) gravely damage public health or morals.

(2) Where the Chief Secretary reasonably believes that the broadcasting of any programme, advertisement, announcement or other material, or any part thereof, would contravene the provisions of subsection (1), he may apply to the High Court for an order under this section.

(3) An application under subsection (2) in the case of urgency may be made for an interim order *ex parte* on affidavit but otherwise such application shall be made by motion or summons.

(4) On an application under subsection (2), the High Court may, by order, where it is satisfied that the broadcasting of any programme, advertisement, announcement or other material, or any part thereof, would contravene the provisions of subsection (1), prohibit the broadcasting of the whole or any part of that programme, advertisement, announcement or other material and require any person who in the opinion of the Court would be knowingly involved in such contravention to take such steps as the Court may direct in order to give effect to the prohibition.

(5) On an application under subsection (2), the High Court may, by order, require the licensee or any other person referred to in subsection (4) to produce to the Court such material within their possession or control as relates to the programme, advertisement or announcement.

(6) Any material produced under subsection (5) shall not be admissible in any criminal proceedings against the licensee, or person, producing it.

(7) A person shall not under this section be required to furnish any material relating to items subject to legal privilege.

(8) Subject to subsection (9), rules of court shall provide for -

- (a) the discharge and variation of orders under this section;
- (b) proceedings relating to such orders; and
- (c) costs.

(9) The power to make rules of court under section 54 of the Supreme Court Ordinance (Cap. 4) shall include the power to make rules of court for the purposes of this section.

(10) The jurisdiction of the High Court under this section may not be exercised by the Registrar or a master of that Court."

#### **Clause 49**

That clause 49 be amended —

(a) by renumbering the clause as clause 49(1).

(b) by adding -

"(2) Section 9(1)(ab) is amended by adding "commercial television broadcasting services, subscription television broadcasting services, sound broadcasting services," before "satellite television services".

*Question on the amendments proposed, put and agreed to.*

*Question on clauses 3, 5 to 9, 12, 14, 15, 19, 28, 30, 31, 33, 35, 36, 38, 46, 47 and 49, as amended, proposed, put and agreed to.*

New clause 12A. Inquiry by Broadcasting Authority.

New clause 19A. "Must carry" provision.

New clause 51A. Governor in Council may issue directions to Authority.

New clause 51B. Directions by the Authority.

*Clauses read the First time and ordered to be set down for Second Reading pursuant to Standing Order 46(6).*

SECRETARY FOR RECREATION AND CULTURE: Mr Chairman, I move that new clauses 12A, 19A, 51A and 51B as set out in the paper circulated to Members be read the Second time.

As explained in my earlier speech, new clause 12A is to make the licence revocation proceedings more transparent.

The new clause 19A proposes an amendment to the "must carry" provision set out in section 20B. This amendment makes it clear that it is the "must carry" arrangements for ATV and TVB to transmit RTHK programmes that are covered and not arrangements for the carriage by a subscription television licensee of the transmissions of any of the broadcasters set out in Part II of Schedule 2 of the Ordinance, namely ATV, TVB, Hutch Vision, Metro Broadcast and Commercial Radio.

In new clauses 51A and 51B, section 18 in the Broadcasting Authority Ordinance is repealed in response to concern raised by Members.

Mr Chairman, I beg to move.

*Question on the Second Reading of the clauses proposed, put and agreed to.*

Clauses read the Second time.

SECRETARY FOR RECREATION AND CULTURE: Mr Chairman, I move that new clauses 12A, 19A, 51A and 51B be added to the Bill.

*Proposed additions*

**New clauses 12A, 19A, 51A and 51B**

That the Bill be amended by adding —

**"12A. Inquiry by Broadcasting Authority**

Section 15 is amended -

- (a) by repealing subsection (1);
- (b) in subsection (2) by repealing "The Broadcasting Authority" and substituting "Where the Broadcasting Authority conducts an inquiry under section 14(1), it";
- (c) in subsection (3) by repealing "under this section" and substituting "under section 14(1)";
- (d) in subsection (5) -
  - (i) by repealing "recommendations" and substituting "representations"; and

(ii) by repealing "for" and substituting "of"; and

(e) by repealing subsection (6)."

**"19A. "Must carry" provision**

Section 20B(1) is amended -

(a) in paragraph (a) by repealing "owned by another licensee" and substituting "owned or operated by a company which is specified in Part II of Schedule 2"; and

(b) in paragraph (b) by repealing "other than a licensee" where it twice appears and substituting "other than a company which is specified in Part II of Schedule 2"."

**"51A. Governor in Council may issue directions to Authority**

Section 18 is repealed.

**51B. Directions by the Authority**

Section 20 is amended by repealing "the provisions of any direction issued by the Governor in Council under section 18, ".".

*Question on the amendments proposed, put and agreed to.*

*Question on the addition of the new clauses proposed, put and agreed to.*

Council then resumed.

**Third Reading of Bills**

THE ATTORNEY GENERAL reported that the

**APPOPRIATION BILL 1993**

had passed through Committee without amendment and the



**HONG KONG INDUSTRIAL TECHNOLOGY CENTRE CORPORATION BILL** and  
the

**TELEVISION (AMENDMENT) BILL 1993**

had passed through Committee with amendments. He moved the Third Reading of the Bills.

PRESIDENT: I will take the Appropriation Bill separately from the other two Bills. The question is that the following two Bills be read the Third time and do pass:

HONG KONG INDUSTRIAL TECHNOLOGY CENTRE CORPORATION BILL and  
TELEVISION (AMENDMENT) BILL 1993

*Question on the Third Reading of the Hong Kong Industrial Technology Centre Corporation Bill and the Television (Amendment) Bill 1993 proposed, put and agreed to.*

Bills read the Third time and passed

PRESIDENT: The question is that the following Bill be read the Third time and do pass:

APPROPRIATION BILL 1993

*Question on the Third Reading of the Appropriation Bill 1993 proposed and put.*

*Voice vote taken.*

The President said he thought the "Ayes" had it.

MR FREDERICK FUNG: Mr President, I claim a division.

PRESIDENT: Council will proceed to a division. The division bell will ring for three minutes.

PRESIDENT: Would Members now please proceed to vote?

PRESIDENT: Are there any queries? The result will now be displayed.

The Chief Secretary, the Attorney General, the Financial Secretary, Mr PANG Chun-hoi, Mr Andrew WONG, Mr Martin BARROW, Mrs Peggy LAM, Mrs Elsie TU, Mr Peter WONG, Mr Timothy HA, Miss Emily LAU, Mr Gilbert LEUNG, Mr Eric LI, Mr TIK Chi-yuen, Mr Howard YOUNG, Mr WONG Wai-yin, Dr TANG Siu-tong, Miss Christine LOH, Mr Roger LUK and Ms Anna WU voted for the motion.

Mr Frederick FUNG voted against the motion.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Rev FUNG Chi-wood, Mr Michael HO, Dr HUANG Chen-ya, Dr Conrad LAM, Mr LAU Chin-shek, Mr LEE Wing-tat, Mr MAN Sai-cheong and Dr YEUNG Sum abstained.

THE PRESIDENT announced that there were 20 votes in favour of the motion and one vote against it. He therefore declared that the motion on the Third Reading of the Appropriation Bill 1993 was carried.

Bill read the Third time and passed.

### **Adjournment and next sitting**

PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday 21 April 1993.

*Adjourned accordingly at eight minutes past Seven o'clock.*

*Note:* The short titles of the Bills/motions listed in the Hansard, with the exception of the Administrative Appeals Board Bill, Appropriation Bill 1993 and the Hong Kong Industrial Technology Centre Corporation Bill, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.

