

1 HONG KONG LEGISLATIVE COUNCIL -- 24 May 1989

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 24 May 1989

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)  
SIR DAVID CLIVE WILSON, K.C.M.G.

THE CHIEF SECRETARY  
THE HONOURABLE PIERS JACOBS, O.B.E., J.P.

THE FINANCIAL SECRETARY  
THE HONOURABLE DAVID ALAN CHALLONER NENDICK, 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, O.B.E., J.P.

THE HONOURABLE CHEUNG YAN-LUNG, O.B.E., J.P.

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

THE HONOURABLE MARIA TAM WAI-CHU, C.B.E., J.P.

DR. THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.

THE HONOURABLE CHAN YING-LUN, J.P.

THE HONOURABLE PETER POON WING-CHEUNG, O.B.E., J.P.

THE HONOURABLE CHENG HON-KWAN, J.P.

THE HONOURABLE CHUNG PUI-LAM, J.P.

THE HONOURABLE HO SAI-CHU, M.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 POON CHI-FAI, J.P.

PROF. THE HONOURABLE POON CHUNG-KWONG, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE MRS. ROSANNA TAM WONG YICK-MING, J.P.

THE HONOURABLE TAM YIU-CHUNG

DR. THE HONOURABLE DANIEL TSE, O.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

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

THE HONOURABLE RONALD GEORGE BLACKER BRIDGE, O.B.E., J.P.

SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.  
SECRETARY FOR TRANSPORT

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE PETER TSAO KWANG-YUNG, C.P.M., J.P.  
SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION

THE HONOURABLE CHAU TAK-HAY, J.P.  
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

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

THE HONOURABLE MICHAEL CHENG TAK-KIN, J.P.

THE HONOURABLE DAVID CHEUNG CHI-KONG, J.P.

THE HONOURABLE RONALD CHOW MEI-TAK

THE HONOURABLE MRS. NELLIE FONG WONG KUT-MAN, J.P.

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

THE HONOURABLE DANIEL LAM WAI-KEUNG, J.P.

THE HONOURABLE MRS. MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, J.P.

DR. THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

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

THE HONOURABLE KINGSLEY SIT HO-YIN

THE HONOURABLE MRS. SO CHAU YIM-PING, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

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

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

THE HONOURABLE ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.  
SECRETARY FOR SECURITY

THE HONOURABLE KENNETH KWOK WAI-KAI, O.B.E., J.P.  
SECRETARY FOR LANDS AND WORKS

THE HONOURABLE ADOLF HSU HSUNG, J.P.  
SECRETARY FOR DISTRICT ADMINISTRATION

ABSENT

THE HONOURABLE MRS. RITA FAN HSU LAI-TAI, O.B.E., J.P.

THE HONOURABLE DAVID LI KWOK-PO, J.P.

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

THE HONOURABLE PAUL CHENG MING-FUN

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR. LAW KAM-SANG

Affirmation

MR. KENNETH KWOK WAI-KAI made the Affirmation of Allegiance.

Papers

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

Subject

Subsidiary Legislation

L.N. No.

Merchant Shipping (Safety) Ordinance Merchant Shipping (Safety) (Automatic Pilot and Testing of Steering Gear) Regulations 1989.....	138/89
Merchant Shipping (Safety) Ordinance Merchant Shipping (Safety) (Carriage of Nautical Publications) Regulations 1989.....	139/89
Merchant Shipping (Safety) Ordinance Merchant Shipping (Safety) (Signals of Distress and Prevention of Collisions) Regulations 1989.....	140/89
Merchant Shipping (Safety) Ordinance Merchant Shipping (Safety) (Use of Signals of Distress) Regulations 1989.....	141/89

Immigration Ordinance  
Immigration (Places of Detention)  
(Amendment)(No. 3) Order 1989..... 144/89

Immigration Ordinance  
Immigration (Treatment of Detainees)  
(Amendment) Order 1989.....  
145/89

Merchant Shipping (Safety) Ordinance  
Merchant Shipping (Safety) Ordinance  
(Amendment of Schedule)(No. 2) Order 1989..... 146/89

Public Health and Municipal Services  
Ordinance  
Public Health and Municipal Services  
(Public Pleasure Grounds)  
(Amendment of Fourth Schedule)  
(No. 3) Order 1989.....  
147/89

Registration of Persons Ordinance  
Registration of Persons  
(Application for New Identity Cards)  
(No. 6) Order 1989.....  
148/89

Public Health and Municipal Services  
Ordinance  
Abattoirs (Urban Council)(Amendment)  
By-Laws  
1989..... 149/89

## Oral answers to questions

### Free feeder bus services provided by KCRC

1. MISS TAM asked: In view of the recent introduction of two feeder bus routes (operated free of charge between Fu Shin and Kwong Fok Estates and Tai Po Market Station) by the Kowloon-Canton Railway Corporation (KCRC) which has the effect of substantially duplicating the services of routes 71K and 72K of the Kowloon Motor Bus Co. Ltd. approved under the company's Route Development Programme, will Government inform this Council whether such provision of free feeder bus services requires the approval of the Commissioner for Transport and has caused difficulties in the effective implementation of the intermodal co-ordination transport policy?

SECRETARY FOR TRANSPORT: Sir, under section 4 of the Kowloon-Canton Railway Corporation Ordinance, the corporation is empowered to operate bus or other motor vehicle transport services to and from railway premises. Since these services are non-fee charging, they do not require a franchise but must have a passenger service licence issued by the Commissioner for Transport as any other non-franchised buses.

The Transport Department had met and discussed with the corporation shortly before the introduction of these two new feeder bus routes. The department had reminded the corporation of the interest of and implications for other transport operators, in addition to complying with the licensing conditions of the passenger service licence.

These railway feeders facilitate passengers in the use of the railway system and are broadly consistent with our overall policy of encouraging the use of off-road public transport modes. On the other hand, the department has found that these bus services, being free, do affect to some extent the use of other public transport services which charge fares, particularly those running parallel services. These include one green minibus route and two Kowloon Motor Bus (KMB) franchised bus services. The Administration is now considering possible rationalization of such services.

Free feeder bus services offered by the KCRC are welcomed by the public. But it is desirable, in the longer term, to regulate such services to ensure more effective co-ordination with services of other operators. Practical measures for achieving

this objective are being examined including greater regulation of the permitted routes of free feeder services in the passenger service licensing conditions to ensure that wasteful competition is avoided as far as possible.

MISS TAM: Sir, in trying to rationalize the two types of services, would the Administration consider requiring the KCRC to submit its feeder bus routes under development plans or programmes so as to ensure that the Administration knows how to co-ordinate the services of KCRC and KMB?

SECRETARY FOR TRANSPORT: Yes, Sir, within the transit service area in the north-west New Territories, regulations are ready to be submitted for approval by the Governor in Council to enable the KCRC to submit its annual and five-year rail and bus plans to the Transport Department for examination prior to implementation. Outside the transit service area, it is also our intention to discuss with the corporation to see whether in the longer term such arrangement is also desirable.

MISS TAM: Sir, can the Secretary inform this Council what measures there are, before the necessary regulations are ready, to ensure that KCRC would not introduce similar services on the grounds of prudent commercial practice?

SECRETARY FOR TRANSPORT: Sir, the Government has already arranged a meeting with the corporation and the bus company concerned to discuss possible ways of reducing duplication of services. Details for discussion will include the routes of these services operated by both the corporation and the KMB, and ways and means of re-routing if possible to remove or reduce duplication. I trust that in the spirit of mutual co-operation a satisfactory arrangement can be arrived at fairly soon.

MR. ANDREW WONG: Sir, could the Secretary for Transport advise whether or not passengers of feeder services are required to board trains afterwards? If not, what compensation would be given to KMB and to the green minibus operators for the loss sustained?

SECRETARY FOR TRANSPORT: Sir, the free feeder bus services to railway stations are free in the sense that passengers do not have to produce any tickets of KCR to board



such buses. Therefore, in practice, some passengers might use the service for a free ride to the railway station without actually taking the train. On the point of compensation, legal advice is that these free services do not infringe upon the franchised routes and therefore the question of compensation does not arise.

MR. MICHAEL CHENG (in Cantonese): Sir, will Government inform this Council whether consideration will be given to regulating free shuttle bus services, apart from free feeder bus services, to co-ordinate various means of internal transport? Will emission of smoke from old buses be put under control to avoid air pollution?

SECRETARY FOR TRANSPORT (in Cantonese): Sir, regarding the provision of shuttle or feeder buses such as those operated by Mass Transit Railway, the Administration will ensure that suitable arrangements be made to avoid duplicating the existing services. As for smoke emissions from vehicles, I think I should refer it to the Secretary for Lands and Works.

HIS EXCELLENCY THE PRESIDENT: Secretary for Lands and Works, do you wish to add to that?

SECRETARY FOR LANDS AND WORKS: No, Sir.

Liaison officers

2. MR. CHEUNG YAN-LUNG asked (in Cantonese): Will Government inform this Council the wastage and recruitment rates of Liaison Officers serving in the New Territories over the past 10 years, the reason for the discrepancy between the entry requirements and starting salary of Liaison Officers serving in the New Territories and the urban area, and what steps will be taken to remove this discrepancy?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, the wastage rate of the Liaison Officer grade in the New Territories region over the past 10 years has ranged from a high of 10.4% in 1980-81 to a low of 0.8% in 1986-87. The average wastage

rate over the period is 3.8% as against 4.7% for the Civil Service generally. During the same period, 181 Liaison Officers II have been recruited in seven recruitment exercises. A recruitment exercise is now in progress to fill the existing vacancies.

As regards the difference between the entry requirements and starting salary of liaison staff in the urban and New Territories districts, liaison duties in the urban areas are undertaken by Executive Officers who belong to a general grade, entry to which requires a university degree. Their entry qualification is set having regard to the wide range of duties of the grade of which liaison work in the City and New Territories Administration (CNTA) is only a part. Liaison Officers on the other hand are a departmental grade of the CNTA and are employed exclusively on liaison work in the New Territories. Their entry qualification is matriculation. The starting salary of these two grades is in line with the benchmark for degree and matriculation grades respectively.

As regards the third part of the question, Sir, since the merger of the former Home affairs Department and the former New Territories Administration in 1981, attempts have been made to move away from the situation whereby two different grades are required to undertake similar duties in the same department by merging the Liaison Officer grade into the Executive Officer grade. However, despite considerable efforts by the Administration, the Association of Liaison officers (ALO) and the Hong Kong Government Executive Grade Association (HKGEGA) could not come to terms on the proposed arrangements for determining the seniority of Liaison Officers upon regrading to the Executive Officer grade. Both associations were therefore opposed to the proposed merger. In view of their opposition the proposal was abandoned in 1987.

Recently the ALO has withdrawn its opposition to the proposed merger and has asked that it be put into effect. The Civil Service Branch is now seeing if a way can be found to effect the merger in a manner acceptable to both grades.

MR. CHEUNG YAN-LUNG (in Cantonese): Sir, it is noted that the Administration intends to merge the Liaison Officer and Executive Officer grades. How long will it take for the scheme to be completed?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, the Secretary for the

Civil Service is now attempting to draw up a proposal acceptable to both grades. At present, it is hard to estimate the time required for the actual merging to take place. As for further progress, it will depend on the reaction of the relevant staff associations.

MR. LAU WONG-FAT (in Cantonese): Sir, why is it that Liaison Officers are not eligible for overtime allowance?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, one of the conditions of service for Liaison Officers is to carry out duties outside normal office hours. So they are not eligible for overtime allowance. Compensation leave will be given in case they work overtime. But when overtime work over a long spell is required as in the case of voter registration or district board election, Liaison Officers may be eligible for overtime allowance subject to prior approval by the Finance Branch.

MR. ANDREW WONG (in Cantonese): Sir, as far as I know, entry to the Executive Officer grade used not to require a university degree. When was the change to this entry requirement introduced? What is the total establishment of the Executive Officer grade at present? How many Executive Officers are degree holders? How many are matriculants? Similarly, how many Liaison Officers are degree holders and how many are matriculants? If the ratio is more or less the same for the two grades, why should it be difficult to effect a merge?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, if I remember correctly, the entry requirement for Executive Officer was changed from matriculation to university graduation in 1979. I will give a written reply to Mr. WONG on confirmation of the date. As for the other figures, I am sorry I do not have them in hand. I will give the answer in writing. (Annex I)

MR. CHENG YAN-LUNG (in Cantonese): Sir, I understand that the entry requirement for Liaison Officers in the New Territories was lowered to matriculation level in 1979. From 1980 onwards, representative government has been actively promoted. Liaison

Officers are in fact frontline workers under the representative government system. Does it mean that the Government considers residents in the New Territories are only entitled to second-class service?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, according to the proposal of the Standing Commission on Civil Service Salaries and Conditions of Service, entry points of Executive Officer and Liaison Officer grades depend on individual qualifications and scope of responsibilities. At present, the Standing Commission is conducting a review on the pay structure of non-directorate staff which will cover both Executive and Liaison Officers.

MR. ANDREW WONG (in Cantonese): Sir, the last part of the question I asked just now is based on an assumption. I would like to retract it. Nevertheless, I would like to ask again why merging of Executive Officer and Liaison Officer grades is so difficult bearing in mind that the nature and development of the two grades are similar and that adjustments to their entry requirements are not infrequent.

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, the difficulty lies in the fact that Executive Officers have other duties apart from liaison work. Liaison is only part of the duties of Executive Officers posted to City and New Territories Administration (CNTA). Other duties of Executive Officers include internal administration, personnel management and financial administration. Services like secretarial support, planning and research, licensing and registration are also provided to various committees and subcommittees. Liaison Officers on the other hand only carry out liaison work in the CNTA. So there are differences between the two.

MR. ANDREW WONG (in Cantonese): Sir, does the Secretary's reply indicate that Liaison Officers instead of Executive Officers should be recruited in the urban areas to carry out liaison work?

SECRETARY FOR DISTRICT ADMINISTRATION (in Cantonese): Sir, as I have said just now, the question is under review by the Standing Commission on Civil Service Salaries and Conditions of Service.

## Conveyancing for Private Sector Participation Scheme flats

3. MISS. LEUNG asked (in Cantonese): In view of the application of different legal procedures to purchasers of "Private Sector Participation Scheme" flats and "Home Ownership Scheme" flats despite the identical eligibility criteria for both schemes, will Government inform this Council whether consideration will be given to allowing buyers of "Private Sector Participation Scheme" flats, as in the case of "Home Ownership Scheme" buyers, to effect the necessary conveyancing transactions through the Home Ownership Section of the Registrar General's Department, so that the former can be spared the more expensive fees in hiring the services of law firms appointed by the developers?

SECRETARY FOR LANDS AND WORKS: Sir, considerations had in fact been given to this issue. However, in the case of the Home Ownership Scheme (HOS), the flats are sold by the Housing Authority. To this end, the transaction is a government transaction, hence conveyancing work is done "in house" by the Government's lawyers; in this case the Registrar General's Department.

In the case of the Private Sector Participation Scheme (PSPS), the land for the project is sold to a private developer. Although the developer is obliged to accept the purchasers nominated by the Housing Authority, the conveyancing of the flats to individual purchasers is a private transaction, hence solicitors in private practice are employed by the developer for the conveyancing work. It is not, indeed, appropriate for the Government to provide a conveyancing service for private transactions.

MISS LEUNG (in Cantonese): As PSPS flats are sold at fixed prices to purchasers nominated by the Housing Authority, the major role of a private developer is a contractor rather than a developer. The selling of PSPS flats is therefore not really a private transaction. Would the Secretary therefore agree that the arguments in his main answer are not valid and would he consider giving me another reply?

SECRETARY FOR LANDS AND WORKS: Sir, I think I should explain further that the

Registrar General's Department, in charging the administrative fee, is purely doing a conveyancing and is neither acting for the purchaser nor is offering professional advice on any aspect of the transaction. And if the purchaser wishes to have full legal services, he would still need to engage a private solicitor. There is, therefore, no significant difference in the total legal costs involved.

MR. TIEN: Sir, will Government consider raising the maximum sum under the loan scheme to enable the PSPS flat buyers to meet the legal costs involved?

SECRETARY FOR LANDS AND WORKS: Sir, I am afraid I feel incompetent to give an answer to this question.

MR. MARTIN LEE: Sir, in relation to the conveyancing of flats under (a) the Home Ownership Scheme handled by government lawyers, and (b) the Private Sector Participation Scheme handled by solicitors in private practice, who bears the liability for damages if the title conveyed should prove to be defective due to the negligence of the lawyer concerned?

SECRETARY FOR LANDS AND WORKS: Sir, as I have just explained, the two services are indeed not strictly comparable. But as regards the liability side, may I refer the question to the Attorney General.

ATTORNEY GENERAL: I hesitate to give a legal opinion on such an esoteric subject.

MRS. FONG: Sir, in a conveyancing transaction, the seller and purchaser would, invariably, be each represented by a lawyer. In the case of PSPS flats, the developers, of course, would have a solicitor representing them, but for the purchasers who are people identified by the Housing Authority as qualified under the scheme, why is it not possible for the government lawyers to represent them?

SECRETARY FOR LANDS AND WORKS: Sir, indeed, very detailed discussions have been held

with the Law Society, and in fact this is one of the basis on which the Law Society endorses the scheme.

MISS LEUNG (In Cantonese): A purchaser only need to pay \$800 when conveyancing a \$500,000 flat at the Registrar General's Department. The charge will at least be \$6,200 if a private solicitor is engaged. Will the Secretary advise this Council why the Government ignores the burden on PSPS flat purchasers and refuses to amend the policy to relieve them of the unnecessary expenses?

SECRETARY FOR LANDS AND WORKS: Sir, as I just explained, the two services are indeed not exactly similar. But certainly, we will further look into this possibility.

MRS. FONG: I would like to follow up on the answer given by the Secretary that solicitors or the Law Society have been consulted on this issue. Would the Secretary not agree that the solicitors involved or the Law Society would have a personal interest or a conflict of interests in giving an opinion on this matter?

SECRETARY FOR LANDS AND WORKS: Sir, I can offer no comment.

MR. EDWARD HO: Sir, could the Secretary inform this Council whether the purchasers of HOS flats are aware that the Government's in-house lawyers only look after the conveyancing and not their interests?

SECRETARY FOR LANDS AND WORKS: Sir, I think this is generally known and accepted because there was public advice on this very matter.

Textile quota

4. MR. SIT asked: Will Government inform this Council whether it is aware of some companies' practice of transferring textile quotas held by them at a premium; and whether consideration will be given to reviewing the quota allocation system to ensure that such companies are not repeatedly allocated quotas which they do not use but

sell to other companies, since this will increase the cost of production and affect the competitiveness of the products thus produced?

FINANCIAL SECRETARY: Sir, under the Textiles Export Control System, allocation of quota is based on past performance. Provision is also made to allow newcomers and other companies with no quotas or insufficient quotas to obtain them. Transfer of textile quotas, on either a permanent or a temporary basis, is permitted, subject to certain conditions. One of these conditions is that any temporary transfer of quotas exceeding 50% will trigger a deduction in quota allocation in the following year. The calculation of the temporary transfer percentage is done on the basis of separate markets and different groups of products.

We are well aware that the transfer of quotas can lead to a premium but, even with this added cost, our exports have remained competitive. Moreover, it is important to highlight the fact that the premium is determined by demand and supply. There have been instances when the premium has been negative. The Government is pleased to see that the flexibility built into the present system has generally resulted in high levels of quota utilization. There are no plans for any major review of the present arrangements. The Director of Trade will however consult the Textiles Advisory Board if and when any need to change the existing system is perceived.

MR. SIT: Sir, since the Government is aware of the malpractice of transferring some of the textile quotas at a premium, will the Government therefore inform this Council why no fiscal measures have been taken to tackle the issue so as to further strengthen the competitiveness of our products overseas?

FINANCIAL SECRETARY: Sir, as I indicated in my main reply, the Government does not regard this as a malpractice. It has served Hong Kong well; it is a system which has evolved over a period of some 30 years; and we have no intention of changing it.

MR. MCGREGOR: Sir, as I spent something over 20 years of my life helping to negotiate textile quotas and put them in place, I have actually three questions and I wonder if I can ask them all at one time?



HIS EXCELLENCY THE PRESIDENT: Are they inter-related or separate?

MR. MCGREGOR: They are all concerned with textile quotas.

HIS EXCELLENCY THE PRESIDENT: Perhaps you could then ask them separately, since it sounds as though they are not inter-related.

MR. MCGREGOR: Yes, Sir. The first is: can the Government estimate the value of the Hong Kong textile quotas in absolute cash terms, and as a proportion of the value of the exports of quota control textiles?

FINANCIAL SECRETARY: Sir, I do not have the answer with me. I will see if I can find an answer and if so give a written reply. (Annex II)

HIS EXCELLENCY THE PRESIDENT: Mr. MCGREGOR, I will return to you at the end of my list. I have got a list already.

MR. ARCULLI: Sir, will the Financial Secretary inform this Council whether the transferor of quotas would lose quotas transferred on a temporary basis if the transferees of such quotas do not actually use them?

FINANCIAL SECRETARY: Yes, Sir, that is the system -- the transferor runs the risk that if the person to whom he has transferred it on a temporary basis does not utilize it, it has the same effect as if it was still in his own quota and the same rules would apply about reduction.

MR. TIEN: Sir, quota holders became quota holders either by buying them from the market on a permanent basis or by performing for them before restraints were put on by our export markets. Will the Administration inform this Council whether quota owned by quota holders are regarded as their assets, like machinery, or rather as government assets on loan to them?

FINANCIAL SECRETARY: Sir, under the Textiles Export Control System which is administered by the Director of Trade, textile quotas are allocated to Hong Kong companies based generally on the principle of past performance. This means that quotas have to be earned and will be lost unless they are re-earned by performance. Quota allocations are made free of charge to Hong Kong companies. This right is balanced to some extent by an obligation on the part of quota holders to adhere to certain terms and conditions in utilizing their quotas. Strictly speaking, "quota" is the right to export conferred on its owner. The question of whether or not it is an asset does not arise in the administration of the Textiles Export Control System. However, the Administration is aware that textile quotas allocated to, and accepted by companies, are commonly regarded by the trade as assets.

MR. MARTIN LEE: Sir, does the Government believe in equal opportunities for all in the textile industry, including the "new boys", or does it believe in preserving the privilege of the "old boys"?

FINANCIAL SECRETARY: Sir, as I have indicated in my main reply, there is provision for "new boys", or new companies, to obtain quotas, and those that have quotas have to go on performing and utilizing their quotas otherwise they begin losing quotas. As I have already said, this is a complex system which has been evolved over a number of years and is believed to be in the best interest of Hong Kong, and to lead to a high utilization of quotas.

MR. CHEONG: Sir, can Government confirm that despite the textile quota system being very complicated there have constantly been major reviews and that the major review process did involve extensive consultation exercises with those who do understand the system?

FINANCIAL SECRETARY: Yes, Sir.

MR. MCGREGOR: Sir, can the Government confirm that it will never willingly agree to any quantitative textile quota arrangement which does not incorporate the principle

that the quotas are administered by the Hong Kong Government?

FINANCIAL SECRETARY: Sir, as I have already indicated, there is no intention to change the present system. I cannot, of course, commit the Government in the future but it is certainly not our present intention to make any changes to the present system.

MR. PETER WONG: Sir, would the Financial Secretary inform this Council how successful the Inland Revenue Department has been in taxing and collecting the tax on the profits on selling these quotas?

FINANCIAL SECRETARY: Sir, I do not have the answer to that question. I am not sure if one is available. If there is, I will give a written reply. (Annex III)

HIS EXCELLENCY THE PRESIDENT: Mr. Jimmy McGREGOR, I think you have one question to go.

MR. McGREGOR: Yes, Sir, I do. Can the Government indicate its view on the further life of textile quotas under the Multi-Fibre Arrangement, given the initiatives to eliminate trade restrictions in the Uruguay round of the Multilateral Trade Negotiations?

FINANCIAL SECRETARY: Sir, I do not think that is a question which is capable of a precise answer at this stage. There are negotiations taking place. I do not think it can be predicted at this stage what the outcome will be.

MR. TIEN: Sir, quota holders resort to selling quotas because they cannot fully utilize them. Since importing garment workers has been ruled out, will Government inform this Council whether consideration could be given to relaxing our Country of Origin rules so that part of the garment can be sewn in China to enable quota holders to utilize their quotas more fully, instead of selling them?

FINANCIAL SECRETARY: Sir, I think this would depend very much on the importing country, as well as on Hong Kong, as to whether they would accept any change in the definition of "Hong Kong Origin".

MR. MARTIN LEE: Sir, do you think it desirable for Members who have companies which might have quotas to sell, to disclose their interests?

HIS EXCELLENCY THE PRESIDENT: Mr. LEE, I assume that question is not to the Chair but to the Financial Secretary.

FINANCIAL SECRETARY: I am not sure, Sir, in what particular context it is considered that they would need to disclose their interests. But I assume that in any case, where it is proper to do so, that would be the course that would be followed.

Registered and student nurses

5. MRS. FONG asked: Will the Administration inform this Council of the number of vacant registered nurse posts in the government and subvented hospitals in 1986, 1987 and 1988, the number of student nurses trained in these three years, and the number of registered nurses required to cope with the expansion of hospital services, for example, opening of new hospitals in Tuen Mun, Chai Wan and so on and whether there are any difficulties in filling the vacant registered nurse posts; and if so, what measures will be taken by the Administration to alleviate such difficulties?

SECRETARY FOR HEALTH AND WELFARE: Sir, I regret that the staffing statistics maintained by the former Medical and Health Department make it impracticable at this time to produce nursing vacancy statistics relating to hospital services only. I am, however, able to provide information in respect of the registered nurse grade as a whole, which includes student nurses.

The number of vacant posts for registered nurses in the government sector at the end of 1986, 1987 and 1988 were 103, 152 and 255 respectively. These represented

1.2%, 1.7% and 2.7% of the establishment at the end of the respective years. The corresponding number of vacancies in the subvented sector for the same period were 185, 353 and 335, and these represented 4.6%, 8.3% and 7.9% of the establishment at the end of the respective years.

The number of student nurses registering with the Nursing Board after receiving training in the government and subvented sectors was 1 094 in 1986, 991 in 1987 and 799 in 1988.

During the next five years up to 1993-94, there will be a requirement for 5 200 additional registered nurses to cope with the expansion of hospital and clinic services. There will also be an additional requirement of about 3 200 registered nurses to fill vacant posts arising from projected wastage and to effect certain improvements to nursing services which the Administration wishes to introduce.

There have been increasing difficulties in the recruitment of student nurses. In addition, the wastage rate among registered nurses has gone up. There would be difficulty in meeting future needs if the present recruitment and retention problems should continue. Various measures are therefore being taken.

A submission proposing improvements to the pay scales of the nursing grades has been made to the Standing Commission on Civil Service Salaries and Conditions of Service, for examination in the context of the overall review of the salary structure of non-directorate grades. The standing commission has been requested to give priority to the examination of this submission.

As an interim measure to improve the recruitment of nurse trainees, a residential allowance of \$700 per month will be paid to nurse trainees from 1 October this year. Recruitment campaigns for student nurses will be stepped up through promotion in the media and career exhibitions.

As a further measure to improve the supply of nursing staff, the Hospital Services Department and the Department of Health are identifying areas where part-time nurses can be suitably employed.

In addition, a number of other improvement proposals have been devised and the necessary approval for their implementation is now being sought. These measures include the creation of additional posts, the provision of clerical support, the

enhancement of training opportunities, and so on.

The implementation of these various measures and others, which the Administration is examining in consultation with the nursing staff, should help to alleviate the current recruitment and retention difficulties.

MRS. FONG: I am very much encouraged by the Administration's projection of the number of additional nurses needed to provide sufficient service to the public in the next five years, which is in the region of 9 400. However, the measures being sought do not seem to relieve an immediate need. Can the Administration advise if consideration has been given to the importation of qualified nurses to fill the gap in the interim period, and, if not, why not?

SECRETARY FOR HEALTH AND WELFARE: Sir, at present any person who meets the criteria laid down by the Nursing Board for registration as a registered nurse in Hong Kong will be granted registration on application regardless of where he or she has trained. In the past a number of persons from various Southeast Asian countries, including the Philippines, have actually been registered. However, because of the language barrier there are practical difficulties in taking on these nurses in government hospitals. From experience, very few nurses from other nearby areas meet the criteria for registration as a registered nurse in Hong Kong. So the possibilities for recruiting overseas are rather limited. Of course, we can consider recruitment from countries such as Australia, Canada, and the United Kingdom, where there are quite a substantial number of residents who originated from Hong Kong and do speak Cantonese. But it is doubtful whether the present salary level of a registered nurse, even with the award of incremental credits for relevant experience, will be very attractive if the nurses concerned have to pay for their own lodgings while working in Hong Kong. So the answer, Sir, is that certainly we will consider overseas recruitment in some countries, but the possibilities are very limited.

DR. LEONG: Sir, I understand that there is a worldwide shortage of nursing staff. I also understand that in Hong Kong the Tuen Mun Hospital will open some time at the end of this year, and the Ruttonjee Sanatorium will open some time next year. Can the Administration inform this Council whether it is confident in providing adequate nursing staff to man these two hospitals when they open, and, if not, whether there are any contingency plans?

SECRETARY FOR HEALTH AND WELFARE: Sir, as far as the Tuen Mun Hospital is concerned, it will be opened in five stages, with a six-month intervening period between each stage. The first stage will start in December this year, and the required nursing staff have already been recruited and are undergoing training, some undergoing training and some already working as registered nurses in other hospitals. So I do not expect the opening of Stage I will be delayed. As for the other hospital projects which will come on stream in the next four or five years, it is hoped that demand can be met by a combination of increased recruitment, which would then maximize the training capacity in the various hospitals, and a reduction in the wastage rate. In respect of recruitment, we have submitted, as I said in my main answer, proposals on the salary scales for nurses, including student nurses, in the hope of attracting more of them; and in respect of reduction in wastage rate, the proposals to the Standing Commission also include proposals on salary scales in the hope of retaining more of the nurses already working in the public sector. At the same time we are hoping to improve the other conditions of service and working environment for nurses, so that more of them would stay in the public sector, and thereby alleviate the difficulties.

MR. EDWARD HO: Sir, according to the Secretary's reply, the vacancies for registered nurses in the subvented sector are much higher than in the government sector. Would the Secretary inform this Council what the Administration will do to redress this imbalance?

SECRETARY FOR HEALTH AND WELFARE: Sir, the reason for this difference is believed to be that the government nurses enjoy greater fringe benefits than their counterparts in the subvented hospitals, although the salary scales are the same. The problem is being addressed through the establishment of a Hospital Authority. The provisional Hospital Authority is at the moment working out uniform terms and conditions of service which would apply to both subvented and government staff under the new Hospital Authority if they should opt to become staff of the Hospital Authority. The imbalance will then be redressed.

MR. CHOW: Sir, even with offers of higher pay to the nurses, would the Administration

consider whether it would be at all possible to employ qualified foreign registered nurses who are working in much better training and working systems and environments and with higher professional status than in Hong Kong? Would it be more logical to use the resources to improve the system for retaining more local registered nurses and attracting more young blood to join the nursing profession?

SECRETARY FOR HEALTH AND WELFARE: Sir, as I have said earlier, the opportunities for hiring overseas nurses are very limited indeed, and I would certainly agree with Mr. CHOW that it would be a lot more logical for the Government to use whatever resources that are available in training and retaining local staff.

MR. MICHAEL CHENG (in Cantonese): Sir, as there is a shortage of registered nurses, will Government inform this Council whether student nurses have to perform duties beyond their knowledge and professional ability which may affect the quality of medical services?

SECRETARY FOR HEALTH AND WELFARE: Sir, student nurses are required to undertake clinical training, which means that they have to perform functional duties in the wards in hospitals. But they do so under supervision and I do not believe that the assumption made by Mr. CHENG can be sustained.

MRS. LAU: Sir, can the Secretary inform this Council from where it is proposed to find the part-time nurses referred to in his main answer, and whether the Administration will take adequate measures to ensure that these part-time nurses are duly qualified to undertake nursing duties?

SECRETARY FOR HEALTH AND WELFARE: Sir, the Administration hopes to look for part-time nurses among former registered nurses who have left the service for one reason or another, for example, to get married and to look after a family, and who no longer have to do so because their children have grown up. But certainly when considering the recruitment of such part-time nurses, the two departments concerned must satisfy themselves that the candidates still possess the required expertise.



MRS. LAM (in Cantonese): Sir, in view of the severe shortage of registered nurses, would the Administration inform this Council whether special training will be given to enrolled nurses to enable them to qualify as registered nurses? Has consideration been given to recruiting Mainland nurses, whose qualifications are not recognized in Hong Kong, and providing them with special training to allow them to become enrolled and then registered nurses so as to alleviate the shortage of the latter?

SECRETARY FOR HEALTH AND WELFARE: Sir, enrolled nurses first started life, if I may say so, as pupil nurses, and to qualify for enrolment as a pupil nurse, the applicant needs only to complete Form III, whereas for enrolment as a student nurse leading on to registered nurse, the applicant must possess a Hong Kong Certificate with certain grades and credits in such subjects as the Nursing Board may specify. Certainly enrolled nurses can try and qualify, but they would have to go through the necessary requirements laid down by the Nursing Board. As far as nurses from China are concerned, from experience very few nurses from China have been able to meet the criteria for registration as a registered nurse in Hong Kong as laid down by the Nursing Board. To illustrate the viability of recruitment from China, I can point out that currently the Committee for Enrolment of Nurses trained outside Hong Kong, which is a concessional scheme to enable nurses who are mainly from China and Macau to enrol as enrolled nurses upon passing an examination and satisfactory completion of a six-month clinical attachment, has not proved to be a dependable channel of supply of nurses, even at the enrolled nurse level. This is supported by evidence of the generally poor response and low passing rate throughout the 13 examinations held so far.

MR. CHOW (in Cantonese): Sir, my question consists of two parts. The first concerns the percentage of nursing vacancies mentioned in paragraph 2 of the Secretary's main answer. It seems that the respective figures of 1.2%, 1.7% and 2.7% are rather low. Could the Secretary inform this Council whether staffing requirements brought about by extra camp beds have been taken into account on arriving at these figures? There are cases where camp beds more than double the original capacity of a ward. Has additional staff required been included in the estimate of nursing vacancies? I would like to ask, as the second part of this question, whether medical services will deteriorate if the Government fails to tackle the shortage problem at its root but resorts to recruiting sub-standard nurses as a solution. Will it dampen the morale of the serving nurses and hence aggravate the existing wastage?

SECRETARY FOR HEALTH AND WELFARE: Sir, I can confirm that the vacancy figures are based on establishment figures which have not taken into account the camp beds in some of our overcrowded hospitals. As regards the second part of Mr. CHOW's question I can inform the Council that for several months already the Nursing and Allied Grades Review Committee under the chairmanship of a Deputy Director of Hospital Services, formerly Deputy Director of Medical and Health Services, has been working very hard to put together a package of improvements to improve conditions of service and working environment, promotion prospects, training prospects and so on for nurses in order to retain more of them in the service. One of the areas of improvement has already been put forward to the Standing Commission for their consideration. So, Sir, I certainly would not agree that we would be prepared to run the risk of lowering the standard of service in our hospitals.

MR. CHEONG: Sir, can the Secretary please give a "guesstimate" as to how long it will take for him to arrive at a conclusion whether or not the increase of \$700 per month from October this year will be effective in attracting the necessary trainee nurses?

SECRETARY FOR HEALTH AND WELFARE: The next recruitment exercise will come up in June and I think we will have an answer then.

MRS. LAM (in Cantonese): Sir, I have just mentioned the possibility of recruiting nurses from China. In fact, many of them have arrived and are working as private nurses because they fail to join the government or subvented service. Will Government inform this Council whether special training will be given to qualified nurses in China to enable them to become enrolled nurses and then registered nurses? If Mainland nurses are offered the chance to be qualified as registered nurses, the shortage problem may perhaps be relieved.

SECRETARY FOR HEALTH AND WELFARE: I think I have already answered part of that question quite extensively. There is an opportunity at present for nurses who qualify in China to become enrolled nurses in Hong Kong. The result of that scheme, however, has not been very successful, and hence it is the conclusion of the Director of Hospital Services that he does not hold out too much hope that there will be a

great number of suitable candidates at the registered nurse level, who qualified in China, being available now in Hong Kong.

#### Electronic data exchange

6. MR. MCGREGOR asked: As the Government is examining the feasibility of computerizing trade documentation and setting up a system of electronic data exchange between government departments and the trading community, will the Government inform this Council when the study will be completed and whether consideration can be given to establishing a central and permanent body, independent of narrow commercial interests, to co-ordinate the drawing up of standards for the electronic exchange of trade data and to provide support for the development of the information technology industry?

FINANCIAL SECRETARY: Sir, the Government is taking part in a consultancy study, which has been jointly organized by a number of firms and other bodies in the private sector relating to the development of Electronic Data Interchange (EDI) for trade-related applications in Hong Kong. The consultancy study is scheduled to be completed by mid-July and the reports are expected to be available in stages from July to August.

The establishment of a central and permanent body to co-ordinate the drawing up of standards would seem an integral part of the development of EDI. The possible establishment of EDI standards is one of the subjects being examined in the consultancy study and the Government will therefore be considering proposals for such a standards body in the light of the consultant's recommendations.

The support for the development of the information technology industry is a much broader issue than message standards. It is one of the subjects of a current techno-economic study commissioned by the Industry Development Board. Other aspects, such as manpower provision for the industry, are being examined by the Committee on Science and Technology.

MR. MCGREGOR: Sir, I declare an interest as the present vice-chairman of the Hong Kong Trade Facilitation Council. Does the Government accept that if an EDI standards

body is to be established then Government itself should be involved in setting and maintaining standards and looking after the organization, in other words, taking responsibility for the organization?

FINANCIAL SECRETARY: Sir, I think at this stage that is a theoretical question, because we have yet to receive the consultancy report. We will be examining it and, as I have already indicated, it does seem likely that there will be a role for a central body which will take things forward.

PROF. POON: Sir, the Committee on Science and Technology has submitted a report on the development of EDI, including the establishment of an EDI council in Hong Kong. Will the Secretary confirm that the Government will also take into consideration seriously the committee's concern and recommendations before arriving at a decision on EDI?

FINANCIAL SECRETARY: Sir, the report in question is being studied in detail within the Administration. The report contains a number of major recommendations which have important implications, including the setting up of an EDI council. The Administration wishes to give it very careful consideration before making a decision.

MR. BARROW: Sir, in view of the labour shortage, the Government's overall support for the development of the information technology industry is a positive step. Would the Administration inform this Council if they would consider giving support to the development of information technology in related fields such as the introduction of bar coding in the distribution trade, which would help reduce the acute labour shortage in that sector?

FINANCIAL SECRETARY: Sir, these are, obviously, developments which will help the labour situation. Clearly issues such as these will be examined carefully.

MR. PETER WONG: Sir, will the Financial Secretary please advise if and when the consultancy study results will be published?

FINANCIAL SECRETARY: I think I indicated in my main answer that it is proposed to make them available in stages from July to August. I am afraid I have no precise information as to when they will be published, but I will reply in writing. (Annex IV)

MR. MCGREGOR: Sir, does the Financial Secretary recognize that in the development of computerized systems in the Government there is a need to ensure co-ordination with the possible need in future of linking these systems to a central data transmission agency?

FINANCIAL SECRETARY: Sir, I think that recognition is implicit in our involvement in this consultancy study.

Solid and gaseous pollutants from power stations and incinerators

7. MR. PETER WONG asked: Will Government inform this Council whether all the power stations and incinerators in the territory have been fitted with particle separators and gas scrubbers to minimize air pollution and whether there are plans to strengthen the requirements for the removal of solid and gaseous pollutants before industrial exhaust can be discharged into the atmosphere?

SECRETARY FOR LANDS AND WORKS: Sir, with regard to power stations, it is necessary to distinguish between those which are oil-fired and those which are coal-fired.

Since oil-fired power stations do not generate unacceptable levels of solid emissions, they are not fitted with particle separator equipment. Notwithstanding this, the three stations in question (Hok Un Power Station, Tsing Yi Power Station and Ap Lei Chau Power Station) have all been in operation for more than 10 years and are in the process of being phased out, when the electricity generation requirements will be met by the coal-fired power stations. The only control devices used for the control of gaseous air pollutants at these stations are the very tall chimneys. Nevertheless, Hok Un Power Station has relatively lower chimneys, and had been

required to use a lower sulphur fuel than is normally used.

The two coal-fired power stations (Lamma Island and Tap Shek Kok in Tuen Mun) are both fitted with electrostatic precipitators; the efficiency of these is greater than 99%, for the removal of solid materials from the flue gas. These two power stations do not require gas scrubbing equipment, because they both use very high quality coal with sulphur content of less than 1% by weight. In addition, very tall chimneys are used to disperse and dilute the emissions.

Sir, with regard to incinerators, all of the three existing municipal incinerators, with the exception of the Lai Chi Kok "B" Incineration Plant, are fitted with electrostatic precipitators, with efficiency of removal ranging from 94% to 99%. With regard to Lai Chi Kok "B" incinerator, this plant will be closed down upon the full commissioning of the electrostatic precipitator equipment at Lai Chi Kok Incineration Plant "A", in fact, by the end of this month. These incinerators have very tall chimneys and are not required to be fitted with gas scrubbers.

Sir, with regard to plans to strengthen the requirements for the control of air pollutant emissions, new regulations under the Air Pollution Control Ordinance have come into force in October 1987, requiring new large air polluting factories to install equipment to reduce their emission of air pollutants to the lowest practicable level.

It is also the Government's intention to further control gaseous and particulate emissions from industries in general through the introduction of new regulations to control the sulphur content of fuel oil, and the tightening of permitted smoke emissions as controlled under present regulations.

MR. PETER WONG: Sir, the answer acknowledges that sulphur in fuels is a major pollutant. Would the Secretary confirm that it is government policy to permit the use of chimneys to carry gaseous pollutants to affect someone else's air as well as compounding the greenhouse effect? And also, would it not be more effective to set an absolute limit on the quantity of sulphur dioxide that can be discharged into the atmosphere, and not by reference to the type of fuel used?

SECRETARY FOR LANDS AND WORKS: Sir, indeed the whole question of air pollution is being addressed very comprehensively in the White Paper on pollution which will be

tabled before this Council on 21 of next month.

PROF. POON: Sir, I should like to refer to the last sentence in the fourth paragraph of the main answer. Since tall chimneys can only disperse but cannot reduce the greenhouse gases produced by the burning of oil or coal, will the Government consider requiring power stations and power companies to install equipment to reduce emissions of greenhouse gases to acceptable levels?

SECRETARY FOR LANDS AND WORKS: Sir, indeed the installation of further anti-pollutant devices against emissions is being closely examined at the moment and it is likely that further devices will be required to be installed, particularly in the newer stations.

MR. EDWARD HO: Sir, in the White Paper that the Secretary said will be introduced to this Council in the near future, will it be the intention that the new regulations will allow residential development to be near industrial zoning?

SECRETARY FOR LANDS AND WORKS: Sir, I do not think that is the intention at all.

Question No. 8 withdrawn

Written answers to questions

Safe carriage of loads and passengers on goods vehicles

9. MR. CHOW asked: Will Government inform this Council whether consideration will be given to introducing regulations to require that the goods compartments of goods vehicles be securely enclosed to prevent goods and accompanying porters from falling out?

SECRETARY FOR TRANSPORT: Sir, there is legislation to ensure the safe carriage of

loads and passengers on goods vehicles.

Regulation 57 of the Road Traffic (Traffic Control) Regulations requires all drivers to ensure that the load is properly secured to the vehicles, no portion of it touches the ground or is solely supported by the tailgate. With effect from 1 September 1989, Regulation 53 requires all passengers travelling in a goods vehicle to be seated in a properly constructed seat secured to the bodywork of the vehicle. Drivers will no longer be allowed to drive a vehicle with a porter riding on the tailboard or the load. The possibility of a porter falling out of a vehicle should thus be considerably reduced.

Draft legislation is also being prepared to require enclosed van-type light goods vehicle to have an effective protective partition between the passenger seats and the goods compartment.

The legal requirements and practical guidance on the safe carriage of goods and passengers are already provided in the Code of Practice for the Loading of Vehicles, which was distributed to all goods vehicle operators in November 1988. The Transport Department also organized a goods vehicle loading exhibition to demonstrate the correct methods of securely loading different kinds of lorries and trucks. The safety and legal requirements will continue to be publicized.

Expenditure on Vietnamese refugees and boat people

10. MR. CHOW asked: Will Government inform this Council of the yearly amount Hong Kong has spent, directly and indirectly, on Vietnamese refugees and boat people since 1979?

SECRETARY FOR SECURITY: Sir, annual expenditure on Vietnamese refugees and boat people incurred by the Hong Kong Government since 1979 is as follows:

Capital Costs (A) (\$ million)	Recurrent costs (\$ million) (B) Note 1	Costs (C) Note 2	Total (A) + (B)
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1979/80)



1980/81)	134.20	137.70	-	271.90
1981/82)				
1982/83	22.40	56.60	7.91	79.00
1983/84	47.70	47.50	15.84	95.20
1984/85	7.80	92.90	17.40	100.70
1985/86	1.56	115.70	16.31	117.26
1986/87	2.20	120.50	14.87	122.70
1987/88	11.04	143.60	17.28	154.64

	Capital Costs (A) (\$ million)	Recurrent costs (\$ million) (B) Note 1	Costs (C) Note 2	Total (A) + (B)
1988/89	183.33	333.30	52.39	516.63
Total	410.23	1047.80	142.00	1458.03

Note 1 : These are recurrent costs incurred by the Hong Kong Government on personal emoluments and departmental expenses for staff and activities relating to Vietnamese refugees and boat people.

Note 2 : These are recurrent costs initially incurred by the Hong Kong Government on care and maintenance of Vietnamese refugees and boat people in closed centres and detention centres, but subsequently recovered from the UNHCR.

Enclosed decoration of restaurants

11. MR. TIEN asked: In view of the recent fire at a restaurant in Kowloon City which led to two dead and 11 injured, is Government aware of the potential risk posed by the enclosed type of external wall decoration which is quite popular among restaurants

and guesthouses converted from old buildings and will this Council be informed of:

(a) measures taken to ensure that this type of enclosed decoration will not prevent firemen from entering the building in case of a fire;

(b) measures taken to ensure that buildings with this sort of decoration have enough additional fire exits;

(c) progress made by the inter-departmental working group set up to review fire hazards in public premises; and

(d) whether consideration will be given to changing the minimum fire installation requirements for public premises set out in the Code of Practice issued by the Fire Services Department to protect public safety?

SECRETARY FOR SECURITY: Sir, staircases provide the main means of escape for occupants of multi-storey buildings, and the main means of access for firemen, in the event of a fire. All multi-storey buildings in Hong Kong are designed to have sufficient staircases for this purpose. The Fire Services Department inspect all premises, for which a restaurant licence is sought, to ensure that fire safety requirements, including adequate means of access and escape, are complied with. Window openings are not an essential, nor in many cases a practical, means of access and escape in the case of multi-storey buildings, and no additional fire exits are required in cases where windows are blocked by decoration.

The terms of reference of the inter-departmental working group are to devise adequate licensing arrangements for guesthouses. The working group will submit its proposals and recommendations shortly. These will not deal with restaurants.

The Code of Practice for Minimum Fire Services Installation and Equipment was reviewed and updated in 1987. The existing code is considered adequate to cover all existing building designs and uses. Nevertheless, the code is kept under regular review, to ensure that it remains up to date in line with developments in the building industry.

Motions

## EASTERN HARBOUR CROSSING ORDINANCE

THE SECRETARY FOR TRANSPORT moved the following motion:

"That the Eastern Harbour Crossing Road Tunnel By-laws 1989, made by the New Hong Kong Tunnel Company Limited on 31 March 1989, be approved."

He said: Sir, I move the first motion standing in my name on the Order Paper. It seeks this Council's approval of the Eastern Harbour Crossing By-laws.

The New Hong Kong Tunnel Company Limited is empowered under section 54 of the Eastern Harbour Crossing Ordinance to make by-laws. In preparation for tunnel opening later this summer, the company has submitted by-laws to this Council for approval.

The company has modelled these by-laws on the Cross Harbour Tunnel by-laws. Differences have been kept to the minimum to avoid confusion to motorists. These by-laws will enable the company effectively to control, operate and manage the Eastern Harbour Crossing road tunnel. Proper observation of the by-laws will facilitate the safe and efficient passage of motor vehicles through the road tunnel. They cover the control of traffic, payment of tolls and prohibition and restriction of certain types of vehicles in the road tunnel area. Motorists who contravene certain of the by-laws which are regulatory in nature shall be guilty of an offence and shall be liable, on conviction, to a fine of \$2,000.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

## MAGISTRATES ORDINANCE

THE SECRETARY FOR TRANSPORT moved the following motion:

"That the Third Schedule to the Magistrates Ordinance be amended by repealing paragraph 7 and substituting --

"7 Government Tunnels.

Any offence against the Road Tunnels (Government) Regulations (Cap. 368, sub. leg.).".."

He said: Sir, I move the second motion standing in my name on the Order Paper. It seeks to amend the Third Schedule to the Magistrates Ordinance so that a defendant may plead guilty by letter for an offence under the Road Tunnels (Government) Regulations.

Section 18E of the Magistrates Ordinance provides that a defendant may plead guilty by letter addressed to the magistrate for an offence specified in the Third Schedule. Item 7 of the Third Schedule refers to any offence under the Lion Rock Tunnel Regulations, which had been repealed and replaced by the Road Tunnels (Government) Regulations. As item 7 has not been revised accordingly, a defendant who has committed an offence under the Road Tunnels (Government) Regulations cannot plead guilty by letter.

The present situation is not satisfactory as it increases public inconvenience, administrative cost and court time. For example, there were 283 infringement cases under the Road Tunnels (Government) Regulations in 1988. It is estimated that if all the defendants were allowed to plead guilty by letter instead of attending the court in person, it would have brought benefits in three respects: first, each defendant needed not have spent half a day in court attendance; second, the time of two Transport Officers in the Prosecution Unit of the Transport Department spent in court attendance could have been saved; and third, the workload of the court could have been reduced in terms of time and staff.

It is therefore proposed that item 7 of the Third Schedule should be amended by referring to the Road Tunnels (Government) Regulations. This revises the reference to the new regulations instead of the repealed ones, and extends item 7 to include all government tunnels covered by the Road Tunnels (Government) Regulations. Any new government tunnels to be completed in the future will also be covered automatically once they are included in the Road Tunnels (Government) Ordinance. A defendant who has committed an offence relating to any government tunnels will be able to plead guilty by letter.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

ROAD TRAFFIC ORDINANCE

THE SECRETARY FOR TRANSPORT moved the following motion:

"That the period for which there remains in force the limit on the number of vehicles which may be registered as public light buses specified in the Public Light Buses (Limitation on Number) Notice published as Legal Notice No. 146 of 1986 and extended to 20 June 1989 by Legal Notice No. 155 of 1987, be further extended to 20 June 1991."

He said: Sir, I move the third motion standing in my name on the Order Paper. Under section 23(3) of the Road Traffic Ordinance, a period is specified during which the number of vehicles, which may be licensed as public light buses, is limited. This motion proposes that the period be extended for two years up to 20 June 1991.

The effect of this extension is that the total number of vehicles which may be registered and licensed as public light buses will remain at 4 350, as ordered by the Governor in Council on 10 June 1986.

Sir, I beg to move.

Question on the motion proposed, put and agreed to.

First Reading of Bills

INLAND REVENUE (AMENDMENT) (NO.3) BILL 1989

SUMMARY OFFENCES (AMENDMENT) BILL 1989

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

Second Reading of Bills

INLAND REVENUE (AMENDMENT) (NO.3) BILL 1989

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to amend the Inland Revenue Ordinance in relation to the taxation of husband and wife and for matters ancillary thereto or connected therewith."

He said: Sir, I move that the Inland Revenue (Amendment) (No. 3) Bill 1989 be read a Second time.

This Bill seeks to give legislative effect from 1 April 1990 to proposals to provide for the separate taxation of married women. If enacted, these proposals would be applicable to 1989-90 final salaries tax assessments issued on or after 1 April 1990.

The introduction of this Bill into the Legislative Council is the outcome of a period of considerable public debate as to how best a family's income should be taxed. Members will recall that last year, in the light of that debate, and of the trend in tax administrations elsewhere, the Financial Secretary undertook to consider further how separate taxation might best be introduced.

The separate taxation proposals presently before this Council have been formulated in consultation with a number of professional and other interested organizations, including the Joint Liaison Committee on Taxation. The system proposed provides that husbands and wives will be individually responsible for all aspects of their personal taxation affairs. Provided that they are not assessable at the standard rate, working husbands and wives will each receive a basic allowance. In single income families, the sole-earner will receive a married taxpayer allowance. Taxpayers will continue to be entitled to claim allowances in respect of their children and dependent parents.

In cases where one spouse's income is not sufficiently high to absorb all of his or her allowances, a system of joint assessment will apply. In these circumstances, a couple may continue to have their salaries tax liability computed on their joint aggregated income, in very much the same way as at present, if this will result in the family's overall tax liability being reduced. Concurrently with the implementation of separate taxation, the Personal Assessment legislation as it applies to married couples is also appropriately amended.

The main legislative provisions are contained in the following clauses of the

Bill:

(a) Clause 3 repeals the existing mandatory joint taxation provisions and provides that husbands and wives will be chargeable to tax on their respective incomes. At the same time it also sets out the conditions under which a married couple may elect Joint Assessment if one of them has allowances exceeding income.

(b) Clause 6 provides the mechanics for calculating a couple's net chargeable income when Joint Assessment is elected.

(c) Clause 9 allows taxpayers to be granted a basic allowance unless they are entitled to a married taxpayer allowance. With the implementation of separate taxation the working wife allowance is repealed.

(d) Clause 10 consolidates all of the Personal Assessment interpretation clauses into one section and amends the existing definition of "individual" to remove the exclusion of a married woman being a person entitled to elect Personal Assessment.

(e) Clause 28 introduces transitional provisions to deal with the validity of assessments issued prior to the date of commencement of the amending legislation, payment of tax on lump sum payments related back to earlier years of assessment, assessment of taxpayers leaving Hong Kong and subsequently returning within the transitional year of assessment, omissions of income from assessments and the application of provisional salaries tax paid in respect of the transitional year.

I estimate the full year cost to the revenue in 1990-91 of implementing separate taxation to be some \$585 million. However, with the simultaneous abolition of the working wife allowance, which has a full year cost of some \$355 million, the net additional cost of implementing separate taxation is estimated to be some \$230 million.

Sir, I move that the debate on this motion be adjourned.

Question on the adjournment proposed, put and agreed to.

SUMMARY OFFENCES (AMENDMENT) BILL 1989

THE SECRETARY FOR LANDS AND WORKS move the Second Reading of: "A Bill to amend the

Summary Offences Ordinance."

He said: Sir, I move the Second Reading of the Summary Offences (Amendment) Bill 1989.

This Bill is aimed at strengthening our marine littering legislation, and seeks to increase the maximum penalty for marine littering offences. Clause 3 increases the penalty imposed on the offender from \$5,000 to \$10,000; and on the owner or master of a vessel or the proprietor or occupier of a place or premises from whence an offence is committed, from \$5,000 and imprisonment for six months, to \$50,000 and imprisonment for one year.

The Bill also seeks to facilitate prosecution by giving authorized public officers power of entry and power to require a person to declare his name and address and produce evidence of his identity. This is considered necessary because the lack of power of entry under this Ordinance has to some extent prevented public officers from identifying and prosecuting offenders who litter in and from shipyards, reclamations and other private premises along the waterfront.

This Bill has been endorsed by the municipal councils. Sir, I move that the debate on this motion be now adjourned.

Question on the adjournment proposed, put and agreed to.

SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATION (AMENDMENT) BILL 1989

Resumption of debate on Second Reading which was moved on 12 April 1989

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).

DIRECTOR OF SOCIAL WELFARE INCORPORATION (AMENDMENT) BILL 1989

Resumption of debate on Second Reading which was moved on 12 April 1989



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).

#### DIRECTOR OF EDUCATION INCORPORATION (AMENDMENT) BILL 1989

Resumption of debate on Second Reading which was moved on 12 April 1989

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).

#### THE OPEN LEARNING INSTITUTE OF HONG KONG BILL 1989

Resumption of debate on Second Reading which was moved on 12 April 1989

Question on Second Reading proposed.

DR. IP: Sir, the Bill seeks to establish the Open Learning Institute of Hong Kong (OLI) for the provision in Hong Kong of opportunities for higher education by means of open learning. I would like first to pay tribute to the Planning Committee for the OLI which has done a fine job advising, inter alia, on the drafting of the Bill, and to all those tertiary institutions which have given their full support to bring to fruition the introduction of open learning in Hong Kong.

The Legislative Council ad hoc group formed to study the Bill is thrilled over the wide educational opportunities the OLI would open up for those who aspire to advancing their learning and knowledge. Many people who have not been able to get admitted to our very competitive tertiary institutions can now further their education through enrolment with the OLI. By using a variety of instructional means, the OLI allows students to study in the style, in the place and at the pace that best suit their individual needs. But I think the one most important feature of the entire concept of open learning relates to its openness. It provides access to higher

education for people regardless of their previous academic attainments. The establishment of the OLI is a major milestone in the development of education in Hong Kong and will go a long way to quenching our students' thirst for knowledge.

The group has been informed that the OLI will accept, in principle, the transfer of credits acquired from recognized institutions, whether local or overseas, for the purpose of partial exemption from studies leading to an academic award by the OLI. It also expects other institutions to similarly recognize its credits. I do hope that such reciprocal arrangements can be satisfactorily worked out to our students' benefit in time.

Sir, the objective of the OLI is to provide in Hong Kong opportunities for higher education by means of open learning and thereby to advance learning and knowledge, and enhance economic and social development. The group understands that the OLI courses will not be open only to people living in Hong Kong. The group hopes, however, that priority will be given to local students seeking admission. As the OLI becomes more developed, opportunities can then be extended to students outside Hong Kong.

In the course of studying the Bill, the group notes that Government will initially meet the OLI's setting up costs and subvent its operating expenses and, by a Memorandum of Administrative Arrangements, there will be provision for the submission and approval of the OLI's estimates until 1993-94 when the OLI is expected to be self-financing. The group has conveyed to the Administration its view that the OLI should be subject to some form of financial control even after it has become self-financing. This is to safeguard the public's interest in areas such as the setting of course fees and payments to the staff by the OLI. The Administration has advised that as an overall review of the constitutional and financial relationship between Government and relevant statutory bodies is being undertaken, it prefers to await the outcome of the review. If the review in due course favours the incorporation of a role of Government in the legislation of the relevant statutory bodies, suitable amendments can also be introduced to the Open Learning Institute Ordinance. After careful consideration, the ad hoc group has accepted the Administration's explanation.

Sir, I cannot leave unmentioned my heart-felt appreciation of the very valuable contributions made by Members of the ad hoc group to the study of the Bill. Since the First Reading of the Bill on 12 April 1989, the ad hoc group has held altogether five meetings, including four with the Administration, in order that the OLI can start

its very valuable work as soon as possible. In particular, my special thanks go to my colleague the Honourable LEUNG Wai-tung who has made a more than "likely" substantial contribution to the scrutiny of the Chinese text of this second bilingual Bill for Hong Kong. Incidentally, it has become obvious that more time is required for the scrutiny of bilingual Bills. For the present Bill, more than half of the ad hoc group's time has been spent on considering the Chinese text and then referring back to the English text to ensure compatibility in the two texts. The group has tried its best to resist the temptation of causing changes to the Chinese text purely on grounds of style, but it has not always been possible to avoid all these. Many amendments proposed for the Chinese text that have been discussed, although not subsequently adopted so as not to delay the passing of the Bill, do bring out the need for speedy standardization of some Chinese terminology for future reference. I must agree that in this respect, Members of this Council and the law drafters are learning together. I hope that the many useful and constructive points raised by Members on the Chinese text will not be lost sight of and that they will prove to be of use for future Chinese legislation.

Sir, I wish the OLI every success in achieving its objectives and hope that it will continue to get the maximum support from the relevant institutions, both in and outside Hong Kong.

With these remarks, Sir, I support the motion.

MR. CHENG HON-KWAN: Sir, I am grateful for this opportunity to speak on the Open Learning Institute of Hong Kong Bill. As chairman of the Planning Committee for the Open Learning Institute (OLI) I must declare an interest. To do this, however, does not absolve me from appreciating your foresight in creating this new institution, or thanking my colleagues on the Planning Committee, this Council and indeed the Administration for their many contributions to both the English and Chinese versions of the Bill.

The OLI will provide the people of Hong Kong with new opportunities to study at the tertiary level. They may do this at a time and in an environment they can themselves control. They will also see that their prior education attainment will not be made a criterion for admission. The OLI is thus open in terms of both access to its courses and the method of instruction. If students work hard and demonstrate the intellectual capacity for higher learning, they will in due course attain academic

standings which are recognized in Hong Kong and overseas for purposes of employment or further studies.

The OLI will therefore meet some of the social, economic and educational needs of Hong Kong. As its course delivery methods are more cost-effective when compared to conventional ones and it aims to recover full costs in the longer term, the OLI will contribute significantly to an expansion in opportunities for higher education without creating a burden on precious public resources.

The Planning Committee has been working very hard over the past 17 months. Sir, a report on its deliberations on the various aspects of setting up the OLI will be submitted to you next month. We have now reached the stage when the OLI itself will have to carry on with the task of delivering open learning to the people of Hong Kong. The introduction of the Open Learning Institute Bill will establish the new institution and open a new chapter on education in the territory.

Sir, I support the motion.

MRS. TAM: Sir, the Hong Kong community attaches great importance to manpower resources. Nothing can better meet the needs of our future development than manpower training. The establishment of the Open Learning Institute (OLI) not only provides new learning opportunities for the local people who wish to receive higher education, but also lays a more solid foundation for our future economic and social development.

Sir, I welcome the introduction of the Open Learning Institute of Hong Kong Bill 1989. I also appreciate the indigenous efforts made by the planning committee headed by the Honourable CHENG Hon-kwan as well as the leadership of Dr. the Honourable Henrietta IP, convenor of the Legislative Council ad hoc group, which have contributed to the successful scrutiny of the Bill. However, the Bill in its present form still have some areas which merit our concern and have to be carefully dealt with by the authorities concerned.

According to the present proposal as mentioned by Dr. IP, the Government will meet the initial capital outlay in setting up the OLI, and its operating expenses in the first four years. The aim of the Government is that the OLI should become self-financing four years after its inauguration, while the Director of Audit, by way of administrative arrangements, can examine the accounts of the OLI before it becomes financially independent.

Nevertheless, the Bill has not spelt out clearly the scheme of financial control on the OLI when it becomes self-financing. Nor has it mentioned how public interests can be properly protected. The level of course fees, the salaries of its teaching staff and so on are all matters of concern to the public. Only with a proper system of control can public interests be safeguarded.

I understand that the Administration is conducting a comprehensive review of the constitutional and financial relationship between the Government and statutory bodies. I hope the Government will, upon the completion of the review, consider in the light of the findings whether it is necessary to make any changes to the relevant Ordinance so that amendments can be introduced timely.

Sir, the provision of higher education through open learning is an innovative concept in Hong Kong. It brings on a new era in the development of our higher education system. I am of the opinion that this new educational concept should be adequately promoted and publicized so that those who wish to pursue further studies may really benefit from it. In setting up the OLI, the institution should also consider setting up some district study centres to provide students with a suitable studying environment. Guidance service should also be given to those who have left school for a long time to help them cope with the new changes in environment.

Sir, I sincerely hope that the OLI will achieve its educational objective in producing more able persons for the future of Hong Kong.

Sir, with these remarks, I support the motion.

MISS LEUNG (in Cantonese): Sir, I believe the Open Learning Institute of Hong Kong Bill 1989 will have a smooth passage through this Council and become the second piece of legislation to be enacted in both official languages in Hong Kong.

Sir, I understand that in the normal process of bilingual legislation, law drafters formulate the provisions in English first and then translate them into Chinese. For this reason, though the legislation is said to be drafted in both languages, the Chinese text which is basically a translation cannot help being modelled almost entirely upon the English text. The Chinese text suffers as a result. Both the expressions and sentence patterns in the Chinese text tend to follow the

English text closely.

As everyone is aware, Chinese culture has its origin from Chinese civilization whereas Anglo-Saxon culture, which is part of the Western culture, originates from Western civilization. As Chinese and English languages stem from two cultures with no common origin, they have their own intrinsic differences and features, giving rise to two completely different systems of linguistic expressions. Thus translation of English into Chinese and vice versa is by no means easy and legal translation is even more difficult.

Sir, the Legislative Council ad hoc group to study the Open Learning Institute of Hong Kong Bill 1989 examined the Chinese text in the same way as it did to the English text, that is, primary attention has been paid to the precision of the legal terms to ensure that the formulation can accurately reflect the legal meaning and intention of the Bill in order to avoid any loopholes. As this Bill is a piece of legislation to be enacted in both languages, the ad hoc group has also taken special care in ensuring that there is not even the slightest discrepancy in meaning between the English and Chinese texts so as to prevent any unnecessary disputes in future.

The ad hoc group opines that the use of terms and the sentence pattern of the Chinese text of the Bill should be in line with the Securities and Futures Commission Bill 1989 (or the so-called new Securities Commission Bill) as far as possible. The new Securities Commission Bill is the first piece of bilingual legislation in Hong Kong and its Chinese text is of great reference value.

Since the Chinese text of this Bill is basically a translation of the English text, the ad hoc group is most concerned about whether the Chinese text is succinct and fluent and whether it has been anglicized with words and expressions borrowed from the English language.

Sir, if my understanding is correct, our predecessors in the Legislative Council seemed to have reached a tacit agreement with the law drafters in the past that textual amendments should be kept to the minimum in the scrutiny of the English texts of the Bills. None the less, many amendments were made to the Chinese text when the new Securities Commission Bill was enacted. This might have led some people to the worry that the numerous amendments would give the impression that the drafting of the Chinese text was not good enough. I do not know whether this was the underlying reason why the authorities concerned were quite reluctant to see that amendment proposals

on the Chinese text should be greater in number than those proposed on the English text. As a result, textual amendments to the Chinese text did not seem to get their way through easily.

Sir, nevertheless, I shall give an account of some of the more representative amendment proposals raised by the ad hoc group and accepted by the law drafters on the Chinese text of the Bill.

Firstly, there are amendment proposals concerning the meaning and accuracy of the legal terms.

In clause 4(f) the term "part time" has been rendered as "兼職". We find that "part time" in the English text carries a wider meaning. All kinds of work where employees are not required to serve full time or only required to serve during part of the working hours may be referred to as "part time", including a sideline job in addition to the regular one. In order to reflect the actual meaning correctly and to avoid unnecessary disputes in future, we propose to use "非全職" instead of "兼職".

In clause 2, the word "likely" as it appears in the definition of "contributing institution" has been rendered as "甚可能" in the Chinese text. We propose to use "相當可能" in its place after taking into account interpretation of the term "likely" by the court.

In clause 4(g), the phrase "適當的康樂設施及活動" has been given for the term "appropriate amenities". We note that "appropriate amenities" in the English text conveys a more accurate meaning. It means whatever facilities and activities that are appropriate. We therefore propose that "康樂" be deleted from the Chinese phrase.

For clause 3(2), we hold that the Chinese text cannot bring out the intended meaning of this provision and should be amended to read "學院的宗旨(1)是在香港以公開進修方式提供高等教育機會(1)從而培養學習風氣(1)提高知識水平(1)以及促進經濟與社會發展".

Furthermore, in clause 11(3), (4), & (5), "incapacity" has been rendered as "喪失行爲能力". In order to bring out the meaning more clearly, we proposed to replace the phrase "喪失行爲能力" by "喪失履行職務能力".

Secondly, there are amendments proposed for the sake of standardization.

Some amendments have been proposed with reference to the Securities and Futures Commission Bill. For example, the term "接納" which means "admissibility" in the "admissibility of documents" should be replaced by "接受"; the term "概括性" should be replaced by "一般性" to convey the meaning of "generality"; the term "信託人" which means "trustee" should be replaced by "受託人", and the term "法律文件" should be replaced by "文書" to convey the meaning of "instrument".

Thirdly, there are amendments proposed in relation to the semantic aspect and diction of the Chinese text.

Here is a typical example of such amendments. The phrase "提供接受高等教育機會" has been used as an equivalent for "provide opportunities for higher education". We consider the term "接受" redundant and therefore and not too appropriate. We propose to have it deleted.

In the course of scrutiny, additional provisions have been made to certain clauses in response to the recommendations of the ad hoc group. Of these clauses, we propose that the phrase "而不論他過往已達何等學業水平" which means "regardless of their previous academic attainments" should be replaced by "不論他具備何等學歷", because we find the latter phrase more concise and fluent.

In addition, we have also discussed the Chinese equivalents for the terms "person" and "persons". The law drafters responsible for the Chinese text basically adopt the neutral term "人" for both of the aforesaid terms. We maintain that for the sake of literary style the term "人士" should be used wherever appropriate. For example, it would be better to amend the phrase "校董會由以下的人組成" in clause 8(1) to read "校董會由以下人士組成".

Sir, with these remarks, I support the motion.

SECRETARY FOR EDUCATION AND MANPOWER: Sir, I am most grateful to Members for their enthusiastic support for the Open Learning Institute (OLI). As Dr. Henrietta IP has said, it is thrilling to think of the wide educational opportunities it will open up for our people, particularly those who have previously missed out on higher education. I am also most grateful to Dr. IP, and her colleagues on the ad hoc group,



who have put a great deal of work into scrutinizing both versions of the Bill. As a result they will be recommending a large number of improvements at the Committee stage.

Members have also pointed to the need to exercise proper financial control over the OLI after it has become self-financing. This is primarily the responsibility of the governing council, to which responsible people with a wide range of experience and background will be appointed. The council is required, under clause 16, to submit a yearly report on its activities and financial statements to the Governor who shall table them before the Legislative Council. Under clause 5, the OLI is also required to comply with directions of the Governor in Council. In addition, as Members have pointed out, so long as the Open Learning Institute is subvented by public funds, the Director of Audit will have full access to its books and the opportunity to comment on its financial managements. Meanwhile, as the Financial Secretary said in his closing speech in the Budget debate, we are reviewing our relationship with such statutory bodies as the Open Learning Institute. We shall certainly recommend any changes in the law which this review, or our experience of the actual running of the OLI itself, show to be necessary.

Another point Members have raised is whether the OLI should cater for students overseas. Initially it will concentrate on local needs, but we do not rule out accepting overseas students in due course, especially if this will, through economies of scale, enable us to reduce our costs and so reduce our fees.

In conclusion, I would like to again thank Dr. IP and her colleagues for all the hard work they have put in to improving this Bill.

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.

SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATION (AMENDMENT) BILL 1989

Clause 1 was agreed to.

Clause 2

FINANCIAL SECRETARY: Sir, I move that clause 2 of the Secretary for District Administration Incorporation (Amendment) Bill 1989 be amended as set out in the paper circulated to Members.

With your permission, Sir, I shall speak not only to its amendments, but also to those of the Director of Social Welfare Incorporation (Amendment) Bill 1989 and the Director of Education Incorporation (Amendment) Bill 1989. The amendments are of a textual nature and serve the purpose of stating the legislative intention more clearly.

The new section 10(4) of the Secretary for District Administration Incorporation (Amendment) Bill 1989 and the new section 8(4) of the Director of Social Welfare Incorporation (Amendment) Bill 1989 and the Director of Education Incorporation (Amendment) Bill 1989 will result in a more correct statement of the law since it is the "accounts of the funds" and not the "statement of account" that is audited by an independent accountant under section 24(4) of the Trustee Ordinance.

The new section 10(5) of the Secretary for District Administration Incorporation (Amendment) Bill 1989 and the new section 8(5) of the Director of Social Welfare Incorporation (Amendment) Bill 1989 and the Director of Education Incorporation (Amendment) Bill 1989 clarifies that the Director of Audit is required to audit the accounts of the fund only where the statement of account is submitted to him for auditing.

Sir, I beg to move.

Proposed amendment

Clause 2

That clause 2 be amended, in new section 10--

(a) in subsection (4) by deleting "it has been audited" and substituting --

"the accounts of the trust funds the corporation administers have been audited";

(b) in subsection (5) by deleting "The statement of accounts submitted under subsection (4)" and substituting --

"Where the statement of accounts is submitted to the Director of Audit under subsection (4), such statement of accounts".

Question on the amendment proposed, put and agreed to.

Question on clause 2, as amended, proposed, put and agreed to.

DIRECTOR OF SOCIAL WELFARE INCORPORATION (AMENDMENT) BILL 1989

Clause 1 was agreed to.

Clause 2

FINANCIAL SECRETARY: Sir, I move that clause 2 of the Director of Social Welfare Incorporation (Amendment) Bill 1989 be amended as set out in the paper circulated to Members.

In moving the Committee stage of the previous Bill, I have already described the nature of the amendments to this Bill.

Sir, I beg to move.

Proposed amendment

Clause 2

That clause 2 be amended, in new section 8 --

(a) in subsection (4) by deleting "it has been audited" and substituting --

"the accounts of the trust funds the corporation administers have been audited";

(b) in subsection (5) by deleting "The statement of accounts submitted under subsection (4)" and substituting --

"Where the statement of accounts is submitted to the Director of Audit under subsection (4), such statement of accounts".

Question on the amendment proposed, put and agreed to.

Question on clause 2, as amended, proposed, put and agreed to.

DIRECTOR OF EDUCATION INCORPORATION (AMENDMENT) BILL 1989

Clause 1 was agreed to.

Clause 2

FINANCIAL SECRETARY: Sir, I move that the clause 2 of the Director of Education Incorporation (Amendment) Bill 1989 be amended as set out in the paper circulated to Members.

In moving the Committee stage of the Secretary for District Administration Incorporation (Amendment) Bill 1989, I have already described the amendments to this Bill.

Sir, I beg to move.

Proposed amendment

Clause 2

That clause 2 be amended, in new section 8 --

(a) in subsection (4) by deleting "it has been audited" and substituting --

"the accounts of the trust funds the corporation administers have been audited";

(b) in subsection (5) by deleting "The statement of accounts submitted under subsection (4)" and substituting --

"Where the statement of accounts is submitted to the Director of Audit under subsection (4), such statement of accounts".

Question on the amendment proposed, put and agreed to.

Question on clause 2, as amended, proposed, put and agreed to.

THE OPEN LEARNING INSTITUTE OF HONG KONG BILL 1989

Clauses 1, 6, 7, 10, 12, 14, 15, 17 and 20 were agreed to.

Clauses 2, 4, 8, 9, 13 and 18

DR. IP: Sir, I move that the clauses specified be amended as set out under my name in the paper circulated to Members.

In clause 2, a definition of open learning has been proposed because the ad hoc group feels that, open learning being a new concept in Hong Kong, it is necessary to define the term without spoiling the openness of the concept. The Administration has conducted researches on how the term is used in other countries and has come up with a definition which has been accepted by the group.

Sub-clause 8(1)(g) of the Bill provides that the President shall appoint to the OLI Council at least 11 but not more than 14 persons who shall be neither public officers nor employees of the OLI, and of these persons at least six shall be persons with experience in commerce or industry in Hong Kong. Sub-clause 8(2) provides that the chairman, the deputy chairman, and the treasurer of the council shall be appointed from among this group of council members. The group feels that these sub-clauses are too restrictive and has proposed that a new sub-clause be added to provide that of the maximum of 14 members appointed under sub-clause 8(1)(g), two members shall be persons with relevant experience in other professions in the community. Moreover,

sub-clause 8(2), should be amended to provide that the chairman, the deputy chairman and the treasurer of the council should be appointed from among those members with experience in commerce, industry or in other professions. The proposals have been accepted and clause 8 has been amended accordingly.

On the functions of the Academic Board under clause 13, the group has recommended that as the OLI Council is the ultimate authority for regulating the admission and examinations of students under sub-clauses 18(1)(d) and 18(1)(e), clause 13 should be amended to reflect the fact that the Academic Board's power to regulate the admission and examinations of students are subject to the delegation of such a power by the council under clause 13(5). The authority in setting standards and criteria for admission and examination would then become clear. The amendments that have now been made reflect this point.

Lastly, although the group agrees that the OLI Council should have the power to impose fines for breach of examination rules and disciplines under clause 18, it suggests that there should be provision for a right of appeal to the council. Sub-clause 18(2) (c) is now added to provide for a right of appeal to the OLI Council against any finding of or penalty imposed at such disciplinary enquiry.

Sir, I beg to move.

Proposed amendments

Clause 2

That clause 2 be amended --

(a) in the definition of "Academic Board" (教務委員會), by deleting "appointed" and substituting "established";

(b) by deleting the definition of "funded institution" (受資助院校) and substituting --

"funded institution" (受資助院校) means an institution of higher education which is financed wholly or in part by funds allocated by the University and Polytechnic Grants Committee;" and

(c) by adding before the definition of "President" (校監) --

"open learning" (公開進修) means a system of higher education which uses a variety of instructional means and which provides educational opportunities for suitable persons regardless of their previous academic attainments;".

#### Clause 4

That clause 4 be amended --

(a) by deleting "objects" where it twice appears and substituting "object";  
and

(b) by deleting paragraph (b) and substituting --

"(b) either on its own or in conjunction with any other person, produce, develop, acquire and provide courses of study using a variety of instructional means;

(ba) admit to courses of study suitable persons, regardless of their previous academic attainments;".

#### Clause 8

That clause 8 be amended --

(a) in subclause (1)(e) by deleting "nominations" and substituting "nomination";

(b) in subclause (1) (g) --

(i) subparagraph (i) by deleting "and";

(ii) in subparagraph (ii) by deleting the full stop and substituting  
";  
and"; and

(iii) by adding after subparagraph (ii) --

"(iii) at least 2 shall be persons

considered by the  
Hong Kong  
and

President to have had relevant experience in  
other than in commerce, industry or higher education.";

(c) in subclause (2), by deleting "(i)" and substituting "(i) or (iii)".

#### Clause 9

That clause 9 be amended --

(a) in subclause (1), by deleting "objects" and substituting "object"; and

(b) in subclause (3) (e) by adding "to the Governor" after "submitted".

#### Clause 13

That clause 13 be amended --

(a) in subclause (1) (a) by deleting "and review" and substituting ", review  
and advise the Council on and, if so empowered by the Council under  
subsection (5), regulate";

(b) in subclauses (1) (b) and (1) (c) by adding in each subclause before  
"regulate" the expression "advise the Council on and, if so empowered  
by the Council under subsection (5),"; and

(c) in subclauses (1) (d) and (1) (g) by adding after "on" in each subclause  
the expression "and, if so empowered by the Council under subsection  
(5), regulate".

#### Clause 18

That clause 18 be amended --

(a) in subclause (1) by deleting "objects" and substituting "object".

(b) in subclause (2) (a) --



(i) by adding "(d)," after "subsection (1)";

(ii) by deleting "the Council or by"; and

(iii) by deleting "and" where it last appears.

(c) in subclause (2) (b) --

(i) by deleting "the Council or" and substituting "any";

(ii) by adding "(d)," after "subsection (1)";

(iii) by adding "a requirement to make good any loss of or damage to property or premises of the Institute," before "suspension"; and

(iv) by deleting the full stop and substituting "; and "; and

(d) in subclause (2) by adding after paragraph (b) --

"(c) provide for a right of appeal to the Council against any finding of or penalty imposed at such disciplinary enquiry."

Question on the amendments proposed, put and agreed to.

MISS LEUNG (in Cantonese): I move that the clauses as specified be further amended as set out under my name in the paper circulated to Members.

In relation to the item "contributing institution" in clause 2 in the English text, "institution" here does not refer solely to the institutions providing education services. It is therefore proposed that "院校" used in the Chinese text for "institution" be amended and substituted by "機構". As to the interpretation part, the amendment proposed by the ad hoc group seeks to improve the Chinese text where it appears awkward and contrived in terms of grammar and diction.

Sir, with these remarks, I beg to move.

Proposed amendments

Clause 2

That clause 2 be further amended --

(a) In the definition of "contributing institution" (參與院校), by deleting "院校" and substituting "機構"; and

(b) by deleting the definition of "參與院校" (contributing institution) and substituting --

" "參與機構" (contributing institution) 指校監認為曾經或相當可能會在學院提供的課程所使用的器材<sup>⑩</sup>設施或學術材料方面<sup>(1)</sup>有實質貢獻的香港或外地高等教育機構;" .

Clause 4

That clause 4 be further amended --

(a) by deleting "作出以下作為";

(b) in paragraph (f), by deleting "顧問或僱員<sup>(1)</sup>全職的或兼職的" and substituting "全職或非全職顧問或僱員";

(c) in paragraph (g), by deleting "康樂";

(d) in paragraph (k), by deleting "信託人" and substituting "受託人"; and

(e) in paragraph (o), by deleting "院校" and substituting "機構".

Clause 8

That clause 8 be further amended --

(a) by deleting "的人" and substituting "人士";

(b) in subclauses (1) (c) and (d), by deleting "為校董";

(c) in subclause (1) (e) by deleting from "為校董" to "在本段下作出"

and substituting "的人(1)受資助院校如果願意(1)各可提名 人以供";

(d) in subclause (1) (f) --

(i) by deleting "院校" and substituting "機構"; and

(ii) by deleting "為校董"; and

(e) in subclause (1) (g) by deleting "為校董".

#### Clause 9

That clause 9 be further amended, in subclause (3), by deleting "他" and substituting "它".

#### Clause 13

That clause 13 be further amended, In subclause (5) by deleting from "校董會" to "的職能" and substituting "根據第 3 條可以轉授予委員會的校董會職能(1)如是與學術事務有關的可由校董會".

#### Clause 18

That clause 18 be further amended, in subclause (1) by deleting "概括" and substituting "一般".

Question on the amendments proposed, put and agreed to.

Question on clauses 2, 4, 8, 9, 13 and 18, as amended, proposed, put and agreed to.

#### Clauses 3, 5 and heading of Part IV

DR. IP: Sir, I move that clauses 3, 5 and heading of Part IV be amended as set out in the paper circulated to Members.

Proposed amendments

Clause 3

That clause 3 be amended --

(a) in the section heading by deleting "objects" and substituting "object";  
and

(b) in subclause (2) --

(i) by deleting "The objects of the Institute are" and substituting  
"The object of the Institute is";

(ii) by adding before "opportunities" the words "in Hong Kong"; and

(iii) by deleting "the system of education known as".

Clause 5

That clause 5 be amended, in subclauses (1) and (2), by deleting "objects" and  
substituting "object".

Heading of Part IV

That Part IV be amended, by deleting the heading and substituting "DIRECTOR AND DEPUTY  
DIRECTOR".

Question on the amendments proposed, put and agreed to.

Question on clauses 3, 5 and heading of Part IV, as amended, proposed, put and agreed  
to.

Clauses 11, 16 and 19

MISS LEUNG: Sir, I move that the clauses specified be amended as set out in the paper  
circulated to Members.

Proposed amendments

Clause 11

That clause 11 be amended, in subclauses (3), (4) and (5) by deleting "行爲" and substituting "履行職務".

Clause 16

That clause 16 be amended, in subclause (2), by deleting "會議席上".

Clause 19

That clause 19 be amended --

(a) in the section heading and subclause (1) by deleting "接納" and substituting "接受"; and

(b) in subclause (2) --

(i) by deleting "法律文件" and substituting "文書"; and

(ii) by deleting "決定性證據" and substituting "確證".

Question on the amendments proposed, put and agreed to.

Question on clauses 11, 16 and 19, as amended, proposed, put and agreed to.

Schedule 1

DR. IP: Sir, I move that Schedule 1 be amended as set out in the paper circulated to Members.

Proposed amendment

Schedule 1

That Schedule 1 be amended, in paragraph 3, by deleting "(i)" and substituting "(i)

or (iii)".

Question on the amendment proposed, put and agreed to.

Question on Schedule 1, as amended, proposed, put and agreed to.

Schedule 2 was agreed to.

Long title

MISS LEUNG: Sir, I move that the long title be amended as set out in the paper circulated to Members.

Proposed amendment

Long title

That the long title be amended, by deleting "接受高等教育的機會" and substituting "高等教育機會".

Question on the amendment proposed, put and agreed to.

Question on long title, as amended, proposed, put and agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

SECRETARY FOR DISTRICT ADMINISTRATION INCORPORATION (AMENDMENT) BILL 1989

DIRECTOR OF SOCIAL WELFARE INCORPORATION (AMENDMENT) BILL 1989

DIRECTOR OF EDUCATION INCORPORATION (AMENDMENT) BILL 1989

## THE OPEN LEARNING INSTITUTE OF HONG KONG BILL 1989

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

Question on the Third Reading of the Bills proposed, put and agreed to.

Bills read the Third time and passed.

### Statement

Procession and mass rally on 21 May 1989

MR. ALLEN LEE: Sir, may I have your consent to move without notice a motion under Standing Order 68 to suspend Standing Order 20(1).

HIS EXCELLENCY THE PRESIDENT: Yes, you have my consent.

MR. ALLEN LEE: Sir, I move that Standing Order 20(1) be suspended to enable me to make a statement.

Question proposed, put and agreed to.

MR. ALLEN LEE: Sir, with your permission I should like on behalf of Members of this Council to state our very great appreciation of the responsible way in which the events of last Sunday were handled. On that day, over half a million citizens of Hong Kong took to the streets in peaceful demonstration. They congregated, sang, marched and made speeches for over six hours. They came from all walks of life, many with their families in tow, in support of one mission. That mission was to express their grave concern over the recent decisions announced by the Chinese authorities to deal with the student movement in Beijing.

The number of people who joined the demonstration on Sunday was unprecedented. Yet the entire demonstration took place without a single incident of disorder or crowd-related injury. This was nothing short of miraculous, given the physical congestion on Hong Kong Island, the enormous size of the crowd, and the strength of emotions on that day. Credit should in the first place be given to our police force

in controlling the procession. They showed professionalism and ability of the highest order. They were summoned almost without notice to deal with an event that Hong Kong had never before seen. And they did so with great calmness and efficiency. To the staff of the Transport Department who ensured quick dispersal of the people after the event, and the staff of the Urban Services Department who cleaned up afterward, we are most grateful. I am sure there were many others in the Civil Service who toiled behind the scenes last Sunday and co-ordinated Government's efforts to preserve general order. They have our deep appreciation.

I want to say a special thank-you to the stewards and the staff of the Royal Hong Kong Jockey Club for making the club's grounds and facilities available for the event on Sunday. But above all, on behalf of Members of this Council, I want to express heart-felt pride and appreciation for the sheer orderliness and sense of co-operation shown by all concerned. And last but not the least, I want to thank members of the media for their hard work in covering the event. (Applause)

Adjournment and next sitting

HIS EXCELLENCY THE PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 31 May 1989.

Adjourned accordingly at twenty-nine minutes to Five o'clock.

Note: The short titles of the motions/Bills, with the exception of the Open Learning Institute of Hong Kong Bill 1989, listed in the Hansard have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.