

OFFICIAL RECORD OF PROCEEDINGS

立法局會議過程正式紀錄

Wednesday, 6 March 1996

一九九六年三月六日星期三

The Council met at half-past Two o'clock

下午二時三十分會議開始

MEMBERS PRESENT

出席議員：

THE PRESIDENT

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

主席黃宏發議員，O.B.E., J.P.

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

李鵬飛議員，C.B.E., J.P.

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

周梁淑怡議員，O.B.E., J.P.

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

李柱銘議員，Q.C., J.P.

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D. (CANTAB), J.P.

李國寶議員，O.B.E., LL.D. (CANTAB), J.P.

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

倪少傑議員，O.B.E., J.P.

THE HONOURABLE SZETO WAH

司徒華議員

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

劉皇發議員，O.B.E., J.P.

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

何承天議員，O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, O.B.E., J.P.

夏佳理議員，O.B.E., J.P.

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

劉健儀議員，O.B.E., J.P.

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

梁智鴻議員，O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

陳偉業議員

THE HONOURABLE CHEUNG MAN-KWONG

張文光議員

THE HONOURABLE CHIM PUI-CHUNG

詹培忠議員

THE HONOURABLE FREDERICK FUNG KIN-KEE

馮檢基議員

THE HONOURABLE MICHAEL HO MUN-KA

何敏嘉議員

DR THE HONOURABLE HUANG CHEN-YA, M.B.E.

黃震遐議員，M.B.E.

THE HONOURABLE EMILY LAU WAI-HING

劉慧卿議員

THE HONOURABLE LEE WING-TAT

李永達議員

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

李家祥議員，J.P.

THE HONOURABLE FRED LI WAH-MING

李華明議員

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

唐英年議員，J.P.

THE HONOURABLE JAMES TO KUN-SUN

涂謹申議員

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

黃秉槐議員，M.B.E., F.Eng., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

黃宜弘議員

DR THE HONOURABLE YEUNG SUM

楊森議員

THE HONOURABLE HOWARD YOUNG, J.P.

楊孝華議員，J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

黃偉賢議員

THE HONOURABLE CHRISTINE LOH KUNG-WAI

陸恭蕙議員

THE HONOURABLE JAMES TIEN PEI-CHUN, O.B.E., J.P.

田北俊議員，O.B.E., J.P.

THE HONOURABLE LEE CHEUK-YAN

李卓人議員

THE HONOURABLE CHAN KAM-LAM

陳鑑林議員

THE HONOURABLE CHAN WING-CHAN

陳榮燦議員

THE HONOURABLE CHAN YUEN-HAN

陳婉嫻議員

THE HONOURABLE ANDREW CHENG KAR-FOO

鄭家富議員

THE HONOURABLE PAUL CHENG MING-FUN

鄭明訓議員

DR THE HONOURABLE ANTHONY CHEUNG BING-LEUNG

張炳良議員

THE HONOURABLE CHEUNG HON-CHUNG

張漢忠議員

THE HONOURABLE CHOY KAN-PUI, J.P.

蔡根培議員，J.P.

THE HONOURABLE DAVID CHU YU-LIN

朱幼麟議員

THE HONOURABLE ALBERT HO CHUN-YAN

何俊仁議員

THE HONOURABLE IP KWOK-HIM

葉國謙議員

THE HONOURABLE LAU CHIN-SHEK

劉千石議員

THE HONOURABLE AMBROSE LAU HON-CHUEN, J.P.

劉漢銓議員，J.P.

DR THE HONOURABLE LAW CHEUNG-KWOK

羅祥國議員

THE HONOURABLE LAW CHI-KWONG

羅致光議員

THE HONOURABLE LEE KAI-MING

李啟明議員

THE HONOURABLE LEUNG YIU-CHUNG

梁耀忠議員

THE HONOURABLE BRUCE LIU SING-LEE

廖成利議員

THE HONOURABLE LO SUK-CHING

羅叔清議員

THE HONOURABLE MOK YING-FAN

莫應帆議員

THE HONOURABLE MARGARET NG

吳靄儀議員

THE HONOURABLE NGAN KAM-CHUEN

顏錦全議員

THE HONOURABLE TSANG KIN-SHING

曾健成議員

DR THE HONOURABLE JOHN TSE WING-LING

謝永齡議員

THE HONOURABLE LAWRENCE YUM SIN-LING

任善寧議員

MEMBERS ABSENT

缺席議員：

THE HONOURABLE CHENG YIU-TONG

鄭耀棠議員

THE HONOURABLE SIN CHUNG-KAI

單仲偕議員

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, C.B.E.,
I.S.O., J.P.

黃錢其濂議員，C.B.E., I.S.O., J.P.

PUBLIC OFFICERS ATTENDING

出席公職人員：

THE HONOURABLE MRS ANSON CHAN, C.B.E., J.P.

CHIEF SECRETARY

行政局議員布政司陳方安生女士，C.B.E., J.P.

THE HONOURABLE DONALD TSANG YAM-KUEN, O.B.E., J.P.

FINANCIAL SECRETARY

行政局議員財政司曾蔭權先生，O.B.E., J.P.

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

ATTORNEY GENERAL

行政局議員律政司馬富善先生，C.M.G., J.P.

MR MICHAEL SUEN MING-YEUNG, C.B.E., J.P.

SECRETARY FOR HOME AFFAIRS

政務司孫明揚先生，C.B.E., J.P.

MR HAIDER HATIM TYEBJEE BARMA, I.S.O., J.P.

SECRETARY FOR TRANSPORT

運輸司鮑文先生，I.S.O., J.P.

MR DOMINIC WONG SHING-WAH, O.B.E., J.P.

SECRETARY FOR HOUSING

房屋司黃星華先生，O.B.E., J.P.

MRS KATHERINE FOK LO SHIU-CHING, O.B.E., J.P.

SECRETARY FOR HEALTH AND WELFARE

生福利司霍羅兆貞女士，O.B.E., J.P.

MR RAFAEL HUI SI-YAN, J.P.

SECRETARY FOR FINANCIAL SERVICES

財經事務司許仕仁先生，J.P.

MR JOSEPH WONG WING-PING, J.P.

SECRETARY FOR EDUCATION AND MANPOWER

教育統籌司王永平先生，J.P.

MISS DENISE YUE CHUNG-YEE, J.P.

SECRETARY FOR TRADE AND INDUSTRY

工商司俞宗怡女士，J.P.

MR BOWEN LEUNG PO-WING, J.P.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

規劃環境地政司梁寶榮先生，J.P.

MR KWONG KI-CHI, J.P.

SECRETARY FOR THE TREASURY

庫務司鄭其志先生，J.P.

MR LEE SHING-SEE, J.P.
SECRETARY FOR WORKS
工務司李丞仕先生，J.P.

MRS CARRIE YAU TSANG KA-LAI, J.P.
SECRETARY FOR SECURITY
保安司尤曾嘉麗女士，J.P.

CLERKS IN ATTENDANCE
列席秘書：

MR RICKY FUNG CHOI-CHEUNG, SECRETARY GENERAL
秘書長馮載祥先生

MR LAW KAM-SANG, DEPUTY SECRETARY GENERAL
副秘書長羅錦生先生

PAPERS

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

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Child Care Centres (Amendment) Regulation 1996	79/96
Food and Drugs (Composition and Labelling) (Amendment) Regulation 1996	80/96
Water Pollution Control (Victoria Harbour (Phase Three) Water Control Zone) Order	81/96
Water Pollution Control (Victoria Harbour (Phase Three) Water Control Zone) (Appointed Days) Order	82/96
Statement of Water Quality Objectives (Victoria Harbour (Phase Three) Water Control Zone)	83/96
Hong Kong Academy of Medicine Ordinance (Amendment of Schedule) Order 1996	101/96
Solicitors' Practice (Amendment) Rules 1996	102/96
Travel Industry Compensation Fund (Procedure for Ex Gratia Payments) (Amendment) Rules 1996	103/96
Travel Industry Compensation Fund (Amount of Ex Gratia Payments and Financial Penalty) (Amendment) Rules 1996	104/96
Criminal Procedure (Amendment) Ordinance 1995 (69 of 1995) (Commencement) Notice 1996	105/96

Import and Export (Strategic Commodities) Regulations (Amendment of Schedule 1) Order 1996 (L.N. 17 of 1996) (Commencement) Notice 1996.....	106/96
District Court Civil Procedure (General) (Use of Language) Rules (L.N. 589 of 1995) (Commencement) Notice 1996	107/96
Matrimonial Causes (Amendment) Rules 1995 (L.N. 590 of 1995) (Commencement) Notice 1996...	108/96
Employees' Compensation (Rules of Court) (Amendment) Rules 1995 (L.N. 591 of 1995) (Commencement) Notice 1996	109/96
Lands Tribunal (Amendment) Rules 1995 (L.N. 592 of 1995) (Commencement) Notice 1996	110/96
Criminal Appeal (Amendment) Rules 1995 (L.N. 53 of 1996) (Commencement) Notice 1996.....	111/96
Criminal Procedure (Appeal Against Discharge) (Amendment) Rules 1995 (L.N. 55 of 1996) (Commencement) Notice 1996	112/96
Criminal Procedure (Applications Under Section 16) (Amendment) Rules 1995 (L.N. 57 of 1996) (Commencement) Notice 1996	113/96
Criminal Procedure (Reference of Questions of Law) (Amendment) Rules 1995 (L.N. 59 of 1996) (Commencement) Notice 1996	114/96
Official Languages (Authentic Chinese Text) (Maintenance Orders (Reciprocal Enforcement) Ordinance) Order.....	(C) 15/96

Official Languages (Authentic Chinese Text) (Traffic Accident Victims (Assistance Fund) Ordinance) Order.....	(C) 16/96
Official Languages (Authentic Chinese Text) (Third Parties (Rights Against Insurers) Ordinance) Order.....	(C) 17/96
Official Languages (Authentic Chinese Text) (Tax Reserve Certificates Ordinance) Order	(C) 18/96
Official Languages (Alteration of Text) (Electoral Provisions Ordinance) Order 1996	115/96
Official Languages (Alteration of Text) (Legislative Council (Electoral Provisions) Ordinance) Order 1996.....	116/96
Administration of Justice (Miscellaneous Provisions) Ordinance 1995 (13 of 1995) (Commencement) Notice 1996	117/96
Official Languages (Authentic Chinese Text) (Electoral Provisions Ordinance) Order.....	(C) 19/96
Official Languages (Authentic Chinese Text) (Legislative Council (Electoral Provisions) Ordinance) Order.....	(C) 20/96
Pilotage (Amendment) Order 1996	118/96
Securities (Exchange - Traded Stock Options) (Amendment) Rules 1996	119/96
Tax Reserve Certificates (Rate of Interest) Notice 1996	120/96

Residential Care Homes (Elderly Persons)

Ordinance (Cap. 459) (Commencement)

Notice 1996 121/96

文件

下列文件乃根據《常規》第 14(2)條的規定而提交會議席上省覽：

項 目

附屬法例

法律公告編號

《1996 年幼兒中心（修訂）規例》	79/96
《1996 年食物及藥物（成分或標籤） （修訂）規例》	80/96
《水污染管制（維多利亞港（第三期） 水質管制區）令》	81/96
《水污染管制（維多利亞港（第三期）水質管制區） （指定日期）令》	82/96
《水質指標聲明（維多利亞港（第三期） 水質管制區）》	83/96
《1996 年香港醫學專科學院條例 （修訂附表）令》	101/96
《1996 年律師執業（修訂）規則》	102/96
《1996 年旅遊業賠償基金（發給特惠賠償程序） （修訂）規則》	103/96
《1996 年旅遊業賠償基金（特惠賠償金額及罰款） （修訂）規則》	104/96

《1995 年刑事訴訟程序（修訂）條例 （1995 年第 69 號） 1996 年（生效日期）公告》	105/96
《1996 年進出口（戰略物品）規例 （修訂附表 1）令（1996 年第 17 號法律公告） 1996 年（生效日期）公告》	106/96
《地方法院民事訴訟程序（一般）（採用語文）規則 （1995 年第 589 號法律公告） 1996 年（生效日期）公告》	107/96
《1995 年婚姻訴訟（修訂）規則 （1995 年第 590 號法律公告） 1996 年（生效日期）公告》	108/96
《1995 年僱員補償（法院規則）（修訂）規則 （1995 年第 591 號法律公告） 1996 年（生效日期）公告》	109/96
《1995 年土地審裁處（修訂）規則 （1995 年第 592 號法律公告） 1996 年（生效日期）公告》	110/96
《1995 年刑事上訴（修訂）規則 （1996 年第 53 號法律公告） 1996 年（生效日期）公告》	111/96
《1995 年刑事訴訟程序（對開釋裁決不服上訴） （修訂）規則（1996 年第 55 號法律公告） 1996 年（生效日期）公告》	112/96
《1995 年刑事訴訟程序（根據條例第 16 條而提出申請） （修訂）規則（1996 年第 57 號法律公告） 1996 年（生效日期）公告》	113/96

《1995 年刑事訴訟程序（將法律問題提交上訴法庭考慮） （修訂）規則（1996 年第 59 號法律公告） 1996 年（生效日期）公告》	114/96
《法定語文（中文真確本）（贍養令 （交互強制執行）條例）令》	(C) 15/96
《法定語文（中文真確本）（交通意外傷亡者 （援助基金）條例）令》	(C) 16/96
《法定語文（中文真確本）（第三者 （向保險人索償權利）條例）令》	(C) 17/96
《法定語文（中文真確本） （儲稅券條例）令》	(C) 18/96
《1996 年法定語文（修改文本） （選舉規定條例）令》	115/96
《1996 年法定語文（修改文本） （立法局（選舉規定）條例）令》	116/96
《1995 年司法（雜項規定）條例 （1995 年第 13 號） 1996 年（生效日期）公告》	117/96
《法定語文（中文真確本） （選舉規定條例）令》	(C) 19/96
《法定語文（中文真確本） （立法局（選舉規定）條例）令》	(C) 20/96
《1996 年領港（修訂）令》	118/96
《1996 年證券（在聯合交易所買賣的股份期權） （修訂）規則》	119/96

《1996 年儲稅券（利率）公告》	120/96
《安老院條例（第 459 號） 1996 年（生效日期）公告》	121/96

Sessional Papers 1995-96

- No. 63 — Draft Estimates for the year ending 31 March 1997;
Volume IA and Volume IB — General Revenue Account
- No. 64 — Draft Estimates for the year ending 31 March 1997;
Volume II — Fund Accounts

一九九五至九六年度會期內提交的文件

- 第 63 號 — 截至一九九七年三月三十一日為止的財政年度
預算草案；卷一甲及一乙部 —
政府一般收入帳目
- 第 64 號 — 截至一九九七年三月三十一日為止的財政年度
預算草案；卷二 — 基金帳目

WRITTEN ANSWERS TO QUESTIONS

Performance Control of Public Works Contractors

1. 羅叔清議員問：厚德 對開的行人天橋在建築期間塌下，據了解該工程的承建商接獲甚多將軍澳區的政府工程，就此，政府可否告知本局：

- (a) 該承建商及其附屬公司過往三年所承接的政府及房屋委員會（包括興建公屋及居屋）的工程中，有多少曾發生意外；
- (b) 政府批出工程合約時，是否有考慮承建商過往的表現，特別是其安全紀錄；若然，當工程意外證明是由於承建商的人為疏忽而造成，政府會否考慮重新審查該承建商所承接的其他工程；

- (c) 鑑於有報導謂今次意外是臨時支架出現問題所引致，政府對於使用此等臨時支架有否一套安全的標準以供檢核，並於每項工程開展前均檢查該等支架才批准使用；及
- (d) 在未查明意外原因前，政府會否考慮暫時中止所有同類工程？

SECRETARY FOR WORKS: Mr President, my answer to the respective parts of the question is as follows:

- (a) Wan Hin and Company Limited has undertaken 11 Public Works Contracts and nine Housing Authority Contracts in the past three years. Of these, there were one (the recent one in Tseung Kwan O) fatal accident in the former and two in the latter.
- (b) The past performance of the lowest three tenderers are assessed in detail before tender recommendations are made. One important aspect of the tenderers' performance is their safety performance in previous contracts. Tenderers' site safety convictions under the Factory and Industrial Safety Regulations will also be considered before recommending award of contract.

Where the cause of a major accident can be clearly identified, it is our practice to make the circumstances known to all works departments, the Housing Authority and other agencies who are or may be responsible for similar contracts.

- (c) The exact cause of the accident has yet to be identified and investigation is being actively undertaken by the police and the Labour Department with assistance from the Territory Development Department. In order to ensure temporary works such as supporting props are properly designed and constructed, the contractor is required under the contract to engage a professionally qualified independent checking engineer to check and certify the different stages of the design and construction of the temporary works. Accordingly, the contractor has to ensure that all temporary works throughout all construction stages are constructed in accordance with the certified design.

- (d) The in-situ casting of concrete decks and beams above carriageways in use has been used successfully in previous projects, in particular where circumstances have been against the use of precasting within a reasonable distance or in view of undesirable closure of busy roads during the erection of the precast beams. Following the tragic accident at Tseung Kwan O, we have advised departments with projects involving works over roads to be especially vigilant. However, there are currently no project with casting the beams in-situ above their final position similar to Tseung Kwan O and, were any to arise, we would reassess the methodology in the light of this accident.

Correctional Services Department Staff of Vietnamese Unit

2. 鄭耀棠議員問：鑑於港府實施有秩序遣返越南船民政策，滯港船民的數目日益減少，越南船民羈留中心亦逐步關閉，這對負責看管船民的懲教署職員將造成影響。就此，政府可否告知本局：

- (a) 懲教署現時有多少名職員隸屬越南船民組 (*Vietnamese Unit*) ；
- (b) 越南船民羈留中心全部關閉後，懲教署會如何安置隸屬越南船民組的職員；是否會將他們轉為常規職員；若然，至今有多少名隸屬越南船民組的職員已轉為常規職員；及
- (c) 現時隸屬越南船民組的職員要轉為常規職員，是否須重新申請入職，而手續會否與其他新的求職者相同？若然，為甚麼要作如此安排；政府會否改變現時的做法，令他們更容易轉為常規職員？

SECRETARY FOR SECURITY: Mr President,

- (a) At present, the Correctional Services Department (CSD) has a total strength of 903 staff serving in the Vietnamese Migrants (VM) Division. The Division comprises 614 regular disciplined staff, four Common Grades staff, 42 General Grades staff, 226 VM staff (employed specifically to man Vietnamese Migrant Detention

Centres) and 17 technical grades staff.

- (b) With the gradual closure of the VM camps, the service of most of the staff in VM camps will no longer be required. The regular staff and the Common Grades staff will be posted back to penal institutions to fill existing and anticipated vacancies. The General Grades staff will either be absorbed by the CSD or returned to the central government. The VM staff and the technical grades staff will be absorbed by the CSD as far as possible. Those who wish to continue working in the Civil Service will be helped to find job placements; they will be given priority for appointment if they are found suitable to fill the vacancies. Those who do not wish to work in the Civil Service will be offered retirement on abolition-of-office terms. The staff have been fully briefed on these arrangements.

To reduce the number of surplus staff, the CSD has been actively recruiting VM staff to join the regular stream, subject to their willingness and suitability. Over the years, a total of 171 VM staff have been appointed to similar ranks in the regular stream. Efforts to encourage the rest of the VM staff to apply to switch will continue.

- (c) In line with the normal practice in the Civil Service, VM staff who wish to apply to work in the regular stream will follow the same basic application procedure as for new recruits. If they fulfil the basic entry requirements and are found suitable by the Department, we will accept them readily. We have examined the transfer arrangements carefully. There is no need to change the existing arrangements given the ongoing successful transfer of a larger number of VM staff to the regular stream.

Prison Escapes

3. 涂謹申議員問：有關囚犯逃出懲教所的問題，政府可否告知本局：

- (a) 近三年從本港各懲教所成功逃走的囚犯人數（不論事後能否捕回）；

- (b) 在同一期間能夠捕回的逃犯為數多少；
- (c) 逃走的囚犯所服刑期平均為多久，囚犯逃走時尚未服滿的刑期平均有多久；及
- (d) 據懲教署所知，囚犯逃走的主要原因為何？

SECRETARY FOR SECURITY: Mr President,

- (a) Over the past three years, 14 prisoners have escaped, including two Training Centre (Cape Collinson) inmates. The table below shows the breakdown by institution:

<i>Institution</i>	<i>Number of escaped prisoners</i>		
	<i>1993</i>	<i>1994</i>	<i>1995</i>
<i>Medium Security</i>			
Hei Ling Chau			
Correctional Institution		1	
Ma Po Ping Prison			3
<i>Minimum Security</i>			
Cape Collinson			
Correctional Institution	2		
Lai Sun Correctional			
Institution		3	2
Pik Uk Prison			3
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Total	2	4	8

- (b) Of these 14 persons, 12 have been recaptured.

- (c) The terms of sentence of the two Training Centre inmates were not fixed: they should serve a period of no less than six months, but no more than 36 months, depending on their performance in the course of their training. The 12 prisoners, who were given fixed sentences, were serving 22 months on average.

In respect of the two Training Centre inmates, the average remaining length of sentence was no more than 29 months. The average remaining sentence of the 12 prisoners was 10 months.

- (d) The main reasons given by the recaptured prisoners were that they felt homesick or they claimed they had to take care of important personal matters outside the institution.

New Territories Land Categories

4. 劉皇發議員問：由於歷史原因，新界土地被界別為不同種類，例如：俗稱的“舊屋地”、“舊批地”、“農地”等。就此，政府可否告知本局：

- (a) 新界土地共分為多少類別，政府何時開始將有關土地分類及何時完成；
- (b) 界別各種各類土地的理據及其使用的限制條件分別為何；及
- (c) 政府有否檢討有關土地的界別，以評估該等土地的用途是否符合現今的需要？

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) lots in the New Territories can be classified into two broad categories, namely, old schedule lots (that is, those held under Block Crown Leases) and new grant lots (that is, those other than old schedule lots).

Old schedule lots were covered by a survey the Government undertook between 1899 and 1903 in respect of all privately-owned land holdings in the New Territories. Following the survey, the land was granted by means of Block Crown Leases. Within each Block Crown Lease, the land was further subdivided into lots, classified mainly as "building" or "agricultural" land according to the then current use.

New grant lots are simply land that was granted after the above survey. They can be subdivided into pre-war new grant lots and post-war new grant lots;

- (b) as explained in (a) above, the categorization of land arose out of historical reasons. The permissible land use of a lot in each category is governed by the relevant conditions as well as statutory plans prepared under the Town Planning Ordinance.

Development on old schedule lots are subject to covenants contained in Block Crown Leases. These covenants prohibit building without the prior approval of the Land Authority. Developments on pre-war new grant lots are subject to the conditions contained in the General and Special Conditions of Sale of Land in the New Territories prevailing at the time when the lots were disposed of. Developments on post-war new grant lots are, as a general rule, subject to a set of general and special conditions which have been drawn up for each grant.

As regards statutory planning control over land use, the statutory plans are prepared on the basis of findings from various strategic and district planning studies and are revised from time to time to cater for changing needs and circumstances; and

- (c) we have no intention to re-categorize lots in the New Territories. But as explained in (b) above, the statutory plans which govern land use in the New Territories are revised from time to time to cater for changing needs and circumstances. Where the existing lease

conditions of a lot are not consistent with the current statutory plans and administrative controls, the Government is prepared to consider applications for lease modifications. They may be approved subject to such terms and conditions as imposed by the Government, including the charging of premium.

Appointment of District Board Members to Public Advisory Bodies

5. 蔡根培議員問：政府可否告知本局：

- (a) 過去三年，在政府眾多諮詢委員會中，有多少成員是地區層面的社區人士，而其中有多少是民選區議員；及
- (b) 政府是否會委任更多各地區層面的社區人士加入諮詢委員會，向政府提供意見；若然，估計在一九九六至九七年度該類委任人士的人數增幅為何；若否，原因為何？

SECRETARY FOR HOME AFFAIRS: Mr President,

- (a) For the purpose of this reply, we have taken major local community groups to mean District Boards, Area Committees, Rural Committees and District Fight Crime Committees. The number of members from these local groups who were appointed to sit on government advisory bodies over the past three years is as follows:

<i>1993</i>	<i>1994</i>	<i>1995</i>
97	77	82

Of the above, the number of elected district board members is as follows:

<i>1993</i>	<i>1994</i>	<i>1995</i>
27	25	31

- (b) When making appointments to advisory boards and committees, the Government's overriding objective is to ensure that the best persons capable of meeting the specific requirements of the concerned advisory bodies are appointed. To this end, appointments are made on the basis of the merits of the individuals concerned taking account of their personal ability, expertise, experience, integrity, commitment to public service and their overall suitability for appointment. The experience and background of those people from local community groups will also be taken into consideration. It is not possible to predict whether an increase in appointment of such people will take place next year. However, the Government will continue to keep in view the suitability of the members from local community groups for appointments to advisory bodies.

Container Thefts

6. 劉健儀議員問：鑑於貨櫃失竊的事件時有發生，政府可否告知本局：

- (a) 在過去三年，警方接到有關貨櫃失竊的案件有多少宗；成功把貨櫃尋回的個案又有多少宗；
- (b) 政府有何行動或措施打擊此類罪案，防止貨櫃失竊問題惡化，並避免有關的貨主和貨櫃運輸公司蒙受不必要的損失；及
- (c) 如在中國大陸境內發現失竊的貨櫃，警方會否要求中國當局安排將貨櫃交回本港？

SECRETARY FOR SECURITY: Mr President,

- (a) The police only started to capture separate statistics on theft of containers since September last year. Before that, these statistics were grouped under theft or miscellaneous thefts. From September 1995 to February 1996, a total of 120 containers was reported stolen and 28 of them have been recovered. The breakdowns by police

regions are set out below:

Number of Containers Reported Stolen
and Recovered September 1995 - February 1996

<i>Police Regions</i>	<i>Number of Containers Reported Stolen</i>	<i>Number of Containers Recovered</i>
New Territories North	107	27
New Territories South	13	1
Kowloon East	NIL	NIL
Kowloon West	NIL	NIL
Hong Kong Island	NIL	NIL
Marine	NIL	NIL
Total	120	28

- (b) The police have accorded high priority in tackling container thefts and adopted the following measures:

(i) Proactive intelligence-led operations

Evidence indicates that the vast majority of these thefts were committed by syndicates. Dedicated units have been set up to collect intelligence and mount operations against targeted suspects in a number of blackspots;

(ii) Detection at Border Crossing Points

The police maintain close liaison with the Immigration Department and the Customs and Excise Department to detect stolen containers at the various border crossing points when they are being smuggled across the border;

(iii) Preventive Measures

With the assistance of insurance companies and the container tractor drivers' associations, the police provide advice on crime prevention to operators in the trade to heighten their awareness on container thefts.

- (c) The police maintain close liaison with the Chinese authorities to combat cross-border crimes. In the event that stolen tractors or containers are found in China, the police will request for their return. So far, the Chinese authorities have returned to us a total of 22 container tractors, one trailer and one container which were stolen in Hong Kong and recovered from different areas of Guangdong Province during their anti-crime operations.

Extension of Kowloon Motor Bus Franchise

7. 劉千石議員問：就延續九龍巴士有限公司（以下簡稱“九巴”）專營權一事，政府可否告知本局：

- (a) 政府與九巴就延續專營權的商討進展如何，包括建議豁免九巴受利潤管制計劃約束的最新進展、預計有關商討於何時完成，並會否就有關問題諮詢本局；及
- (b) 政府會否考慮讓其他巴士公司與九巴經營同一路線，以加強競爭？

SECRETARY FOR TRANSPORT: Mr President,

- (a) The Kowloon Motor Bus Company Limited (KMB)'s current franchise will expire on 31 August 1997. The Administration expects to award a new franchise to KMB and has started negotiations with the company. Our intention is to abolish the current profit control scheme in this new franchise. As requested

by Honourable Members, and now stipulated under section 6(2A) of the Public Bus Services Ordinance, a recommendation on a bus franchise renewal should be put to the Governor in Council not less than nine months before the expiry of the franchise, that is, before December 1996. We are working towards and should meet this timetable. As part of this exercise, we shall consult both the Transport Advisory Committee and the Transport Panel of this Council.

- (b) In general, it is the Government' policy to encourage competition. However, in so far as bus services are concerned, it is not practicable nor viable to allow for a complete duplication of bus routes. Franchised bus operators like KMB are required to operate a network of services, some of which are profitable and some are not. Allowing an additional operator to run parallel services throughout the same network would affect the operating efficiency and financial viability of the franchisee. There are also other practical problems such as the difficulty in finding suitable depot sites for bus operations.

Policemen Running into Debts

8. 張文光議員問：對於警員負債的問題，政府可否告知本局：

- (a) 警務人員在過去三年每年向警察儲蓄互助社借款的數額，請依所屬警區、職級臚列；
- (b) 是否知悉警務人員在過去三年每年向持牌銀行或財務公司借款的數額；若然，請依所屬警區、職級臚列；
- (c) 過去三年是否有發現警員向非法的高利貸借款；若然，請依所屬警區、職級臚列所借數額；
- (d) 警隊管理層是否有就警員借貸的情況進行分析；若然，警員借貸有否上升的趨勢、有否研究警員負債的原因，以及如何改善警員借貸的問題；及

- (e) 警隊管理層有何監督措施，防止負債警員被犯罪集團利用，危害警隊執法能力？

SECRETARY FOR SECURITY: Mr President, the answer to the five parts in this question is as follows:

- (a) The Police Credit Union currently has assets of over \$490 million. These assets are in fact savings of Police Force members. The amount of loans borrowed from the Union in the past three years are:

1993	\$295.8 million
1994	\$344.7 million
1995	\$433.5 million

The increase in loan over the years was mainly due to a steady increase in membership. The police do not keep statistics on the breakdown of loans by police regions or ranks of the officers.

- (b) There is no requirement for police officers to disclose details of their private loans as this would constitute an arbitrary interference with their privacy. We therefore do not have the amount of loans borrowed by police officers from licensed banks or financial institutions.
- (c) In the past three years, a total of five police officers were found and disciplined for obtaining loans from illegal money-lenders including loan sharks. The breakdowns are as follows:

<i>Year</i>	<i>Rank</i>	<i>Region</i>	<i>Amount</i>
1993	NIL	NIL	NIL
1994	Police Constable	Kowloon West	\$20,000
	Police Constable	Hong Kong Island	\$22,500

1995	Police Constable	New Territories South	\$240,000
	Police Constable	Hong Kong Island	\$180,000
	Sergeant	Kowloon West	\$20,000

- (d) The Force monitors closely the situation of unmanageable debts among police officers by conducting six monthly surveys. The number of cases of unmanageable debts had dropped from 145 for the second half of 1994 to 132 for the first half of 1995. The survey for the second half of 1995 showed a further decrease to 87. Overspending and gambling were the main reasons for having unmanageable debts.

The Commissioner of Police maintains a strict policy on indebtedness of police officers as serious pecuniary embarrassment might compromise the integrity of the officer concerned. Police officers are required to be prudent and temperate in their financial affairs and encouraged to adopt a healthy lifestyle.

Accordingly, the Force has developed a comprehensive strategy for preventing, identifying and dealing with the indebtedness of police officers. It includes briefings and seminars for new recruits and serving officers on indebtedness and personal budgeting. Where appropriate, counseling will also be offered. Officers who are indebted under the following circumstances may be subject to criminal or disciplinary proceedings:

- (i) betting, gambling, or otherwise related indebtedness;
- (ii) having financial obligation to any person or organization other than as permitted by the Acceptance of Advantage (Governor's Permission) Notice or the Police General Orders.

The Force has also issued an administrative guideline outlining steps to be taken at different levels of management to monitor and tackle indebtedness. A list of indicators of indebtedness has been drawn up to heighten the awareness of the management on the extent of

indebtedness of individual officers.

- (e) In addition to (d), there are well-established measures to prevent police officers from being exploited by criminals:

(i) *Vetting*

Officers posted to sensitive posts, for example, anti-triad or anti-vice units, are vetted to ensure only officers of high integrity are placed in these positions;

(ii) *Unofficial association with criminals*

The Police General Orders specify that police officers, other than in the course of their duty, shall not associate with known criminals or triad personalities. If proved to have done so, an officer can be subject to disciplinary action;

(iii) *Turnover of posting*

An officer in a sensitive post will not normally be allowed to remain in that post for an excessive period;

(iv) *Cross-territorial operations*

Officers from different units are allowed to conduct raids and make arrests in other Divisions, Districts and Regions;

(v) *Organizational structure reviews*

Organizational structures are constantly reviewed to minimize opportunities for corruption.

Occupational Deafness Compensation Scheme

9. 李啟明議員問：職業性失聰補償計劃已於一九九五年七月開始正式接受申請，政府可否告知本局：

- (a) 職業性失聰補償管理局(以下簡稱“該管理局”)將於何時發放補償給首批申請補償的失聰僱員，以及獲得補償的人數為何；
- (b) 該管理局每年的收入數字及該管理局每月的行政開支費用為何；
- (c) 該管理局能否對無法提供所需僱主僱用十年的證明的申請人給予協助，使其申請可獲接納；及
- (d) 如多名申請人以前受僱於同一家公司或僱主，會否考慮接納他們彼此互相印證的證據？

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) As of 29 February 1996, 45 applications for compensation payment have been approved under the Scheme. The first batch of payments by the Occupational Deafness Compensation Board for nine of these applications were made in early February 1996.
- (b) In 1995, the Government provided a funding injection of \$100 million to the Board and an interest-free loan of \$115 million as a start-up fund for the Occupational Deafness Compensation Scheme. As for its recurrent income, the Scheme is funded by an across-the-board levy of 1.5% on the insurance premia of all employees' compensation policies which employers are required to purchase, in accordance with the Employees Compensation Ordinance. This levy income is collected by the Employees Compensation Insurance Levies Management Board and distributed to the Occupational Deafness Compensation Board (the Board) at quarterly intervals. The first quarterly levy income was distributed to the Board in December 1995 and the estimated levy income for the whole year is around \$30 million. As of 29 February 1996, the average monthly administrative expenses incurred by the Board amount to \$520,000.

(c) and (d)

According to section 14 of the Occupational Deafness Compensation Ordinance, a person who suffers noise-induced deafness and who wishes to claim compensation under the Scheme has to satisfy a requirement that before the date of application, he has had at least 10 years of employment in aggregate in noisy occupations in Hong Kong as defined under the Ordinance.

Apart from the references from employers, the Board will take into account statements made by co-workers of the applicant, as well as other documentary proofs such as tax returns, employment contracts, and wage records in deciding whether the applicant meets this requirement. The Board will also seek information from other relevant parties during the verification process as and when necessary.

Immigration Clearance Time

10. 詹培忠議員問：政府可否告知本局：

- (a) 現時人民入境事務處辦理每名來港旅客出入境手續平均需時多久；
- (b) 目前辦理該等手續所需時間與新加坡及日本兩地比較情況如何；及
- (c) 人民入境事務處會否考慮縮短現時處理訪港旅客出入境手續的時間，以提供更有效率的服務？

SECRETARY FOR SECURITY: Mr President, processing time may refer to waiting time, which is the standard used in our performance pledge, or time required to process each transaction. I shall include both references in my reply.

- (a) The average time required to clear the immigration procedure for each visitor at the airport is 90 seconds on arrival and 50 seconds on departure. During the months of November and December 1995 and January 1996, on average 92% of arriving visitors were cleared within the target waiting time of 30 minutes. For departing passengers, our performances has consistently been close to 100%.
- (b) We have approached the Japanese and Singaporean authorities to obtain the information, which is still not available at the time this reply is issued. We will separately provide the information to the Council when it is available.
- (c) The Government is committed to providing an efficient immigration clearance service to facilitate ease of travel by overseas visitors to Hong Kong. In September 1995, the Immigration Department implemented a new computer system to process machine readable passports by optical scanners. This results in a reduction of 20 seconds of the time required for each transaction involving a machine readable passport. Apart from the transaction time, we have also taken steps to reduce the overall waiting time of visitors. At the airport, we have taken the following improvement measures:
 - (i) the addition of 51 staff to increase the number of counters from 116 to 128;
 - (ii) adjustment of the roster and staggering meal breaks of counter staff over a longer period to maximize the number of counters that can be manned at any one time;
 - (iii) the Civil Aviation Department is seeking funds to implement a serpentine queuing arrangement (single queue for multiple counters) at the departure level;
 - (iv) a consultancy on the current system, conducted from October to December 1995, has identified measures for further

improvement; and

- (v) during festive rush periods such as Easter, Christmas and the Chinese New Year, all roster leave for the staff is suspended so as to deploy additional staff to cope with the heavy workload.

Education on Appreciation of Chinese Culture and History

11. **DR DAVID LI** asked: *According to a recent survey commissioned by the Curriculum Development Council, 10% of primary school pupils thought there was no need to respect Chinese traditions. Moreover, the survey found that the pupils' civic knowledge was generally confined to classroom teaching. In this connection, will the Government inform this Council:*

- (a) *how it plans to reinforce pupils' appreciation of Chinese culture and history, which is vital for developing national identity; and*
- (b) *what specific programmes will be implemented by primary schools to enhance pupils' awareness of civic issues?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) Primary students learn about Chinese culture and Chinese history through different subjects such as Social Studies and Chinese Language, extra-curricular activities, school assemblies and class teacher periods. The Education Department encourages schools to organize civic education related extra-curricular activities, such as interest clubs and inter-school competitions, by providing advisory services, co-ordination and financial assistance as necessary.

From September 1996, the Government will reinforce learning in these areas through the introduction of a new set of Guidelines on Civic Education which is now under public consultation. One of the five areas in the suggested curriculum framework is on China. This

will enhance the students' understanding of Chinese culture and Chinese history, and give them a better knowledge of China's political, economic and administrative systems.

To support teaching of these areas, the Education Department will provide teaching kits to schools on different aspects of China from the school year 1996-97. These will be supplemented by Education Television Programmes covering a range of topics on Chinese society and culture.

- (b) We will implement additional measures to promote civic education in both primary and secondary schools. Specifically at primary level, we will introduce a new core subject of General Studies in the 1996-97 school year. It aims to equip our primary children with the basic knowledge relating to the individual, family, society, and science and technology; and to develop in them study and life skills, problem solving capability and analytical thinking. At Primary Five and Six, the content extends from the individual and society to Hong Kong, China and the world as a whole.

Under the proposed new Guidelines on Civic Education, emphasis will be put on promoting our students' critical thinking. In handling a topic on civic education, school teachers will be advised to present different views and to assist students to discover and evaluate their own values through reflection. At primary level, the teaching objectives will progress from helping students to recognize their role within the school, family and community to developing their concern for major events in Hong Kong, China and the world.

To prepare teachers to implement the new Guidelines on Civic Education through classroom teaching and extra-curricular activities, we will organize in-service teacher training starting around May 1996.

Emergency Co-ordination

12. 陳鑑林議員問：八仙嶺郊野公園仙姑峰日前發生的山火事件，已引起市民關注政府各部門在拯救行動以及事後的醫療過程等各方面能否充分協

調。有見及此，政府可否告知本局：

- (a) 為何專為應付重大事故而設立的布政司署緊急事故統籌中心在事發當日沒有運作；該統籌中心在甚麼情況下才會運作；
- (b) 是否有需要檢討救護人員須將傷者送往就近醫院或診所治療的指引；會否檢討當日將傷者集中由陸路送往威爾斯親王醫院的安排有否延誤急救工作；
- (c) 政府為何沒有要求駐港英軍協助拯救傷者，或以直升機將傷者分散送往各醫院；在何種情況下才會要求英軍協助；
- (d) 在類似的重大事故中，醫院管理局所扮演的協調角色為何；為何會出現瑪麗醫院有皮膚儲存，而威爾斯親王醫院卻要公開呼籲市民捐贈皮膚的情況；及
- (e) 有何措施改善消防處救護員的通訊設備及解決救護車上處理燒傷意外儀器不足的問題？

SECRETARY FOR SECURITY: Mr President,

- (a) The Government's emergency response system is built upon professional, well-trained disciplined services staff (primarily Fire Services and police), on call 24 hours a day to respond to emergencies. The Government's emergency services are mobilized by departmental command and communication centres (CCCs) operating 24 hours a day. Through these CCCs, the emergency services involving different departments and agencies are well co-ordinated to provide the necessary response in most emergencies. The Government Secretariat Emergency Co-ordination Centre (GSECC) is opened only when the scale of response required is likely to be in excess of that which can be dealt with by the emergency services under their normal operating conditions. The GSECC is required to operate in situations which are usually of a territory-wide nature (for example, rainstorms) to facilitate inter-departmental liaison; and to ensure all relevant information is

gathered centrally to facilitate any decision to be made in the Government Secretariat as necessary. In the case of the Pat Sin Range hill fire, as it was largely a localized incident, the Fire Services Communication Centre (FSCC) quickly involved the police, Civil Aid Services, Agriculture and Fisheries Department, Government Flying Services, Auxiliary Medical Services, the Hospital Authority, Information Services Department, Education Department, Social Welfare Department and the Home Affairs Department.

To provide an effective and efficient response to emergencies, it is essential to keep emergency command and communication systems as simple as possible. The Security Branch Duty Officer was informed by the FSCC and the Secretary for Security was kept informed through this channel and through his talks directly with the Director of Fire Services. As the response was under proper and effective co-ordination by the Department, we did not consider it necessary to activate the GSECC to add an extra layer to the communication process.

- (b) The practice of taking patients to the nearest accident and emergency facility is a standard procedure that has been developed by the Fire Services Department, in consultation with the Hospital Authority and the Department of Health. Getting the earliest possible life-saving aid to casualties is in their best interests, even if patients subsequently need to be transferred to receive more specialized treatment. A decision was made to transfer patients to the Prince of Wales Hospital (PWH) by land, because they could then receive continuous ambulance care and treatment en route. This form of transfer, in fact, allowed the patients to be delivered to PWH as quickly as any alternative. The investigation team appointed by the Director of Fire Services will report on this practice and will consider what improvements may be made.
- (c) We would ask the Commander, British Forces for assistance when we know that the Government's resources are insufficient or inadequate to deal with a situation effectively and within a reasonable period. On this occasion, the Government Flying

Services (GFS) had sufficient helicopters to perform all the necessary duties and did not, therefore, need to seek additional assistance from the British Forces. The area where rescue services were being conducted was very small. In order to ensure flight safety in the operational area, there was a practical limit on how many helicopters could be deployed. With reinforcement from Civil Aid Services to form the rescue teams, it was not considered necessary to seek assistance from the British Garrison on rescue support.

- (d) The Hospital Authority Head Office (HAHO) is responsible for liaison to ensure that adequate medical resources are provided. On this occasion, the HA implemented its contingency plans when the FSCC notified it of the need to treat the casualties. An emergency medical team was despatched immediately to the scene and supporting staff were mobilized in PWH to prepare for admission of the burn patients. To ensure speedy and effective treatment of these patients, HAHO also co-ordinated efforts to support the hospital by making contingency arrangements to transfer patients to other hospitals if necessary, and providing emergency funding for additional supplies of medical consumables and equipment.

There was a sufficient supply of skin in the public hospital system to cater for the short-term skin graft requirements of all the burn patients admitted to PWH. Transplant co-ordinators facilitated access to the skin banks. The public appeal for skin donations was made in anticipation of the long-term requirements for the management of the burn patients.

- (e) All ambulances have radio telephones to communicate with the FSCC. For on-site communication, the incident commander, the incident ambulance officer and the officers leading working crews have hand-held radios to communicate with each other and with the Incident Command post.

All ambulances have, as standard equipment, cling film and burn sheets to treat burns. They also have analgesic apparatus to reduce pain. The ambulancemen's objective is to cover burns, to reduce

the risk of infection and to prevent fluid loss in the time before patients reach hospital.

The need for additional equipment on ambulances will be one of the issues that will be addressed in the report on the Pat Sin Range hill fire. We will study the recommendations before deciding what improvements may be necessary.

Task Force on Services Promotion

13. 李家祥議員問：總督在去年的施政報告中提及財政司已設立專責小組，負責制定本港服務業進一步發展的方針，並審慎聽取商界代表和有關專家的意見。政府可否告知本局：

- (a) 小組成立至今共舉行了多少次會議及達成甚麼具體結論，以協助服務業發展；
- (b) 小組曾諮詢哪些商界代表的意見，有哪些意見獲得接納；及
- (c) 會否考慮在每次小組會議後公布討論議題及所達成的結論，以加強小組的透明度？

SECRETARY FOR TRADE AND INDUSTRY: Mr President, the Task Force on Services Promotion has met five times since its establishment in August 1995. Details of the preliminary results of the Task Force's work are set out in a public document.

The Government is fully aware of the need to have the benefit of the views of the business community in the formulation of the Task Force's recommendations. For this reason, the Financial Secretary has set up an Ad Hoc Consultative Group with prominent business leaders, professionals and academics. In addition, a symposium co-organized by the Government and the business community will be held on 12 March to enable further exchange of ideas relating to the development of the services sector and the facilitating role of the Government.

The public document which I referred to earlier serves to keep the community informed of the work of the Task Force. It also provides a basis for extensive public discussion on this important sector of the economy. Views from the public and the services sector are pivotal to the deliberations of the Task Force which, on completion of its work, will publish a final report for public information.

Eligibility for Occupational Deafness Claims

14. 梁耀忠議員問：近日有失聰工友投訴向職業性失聰補償管理局(以下簡稱“該管理局”)申索補償的要求資格過嚴，不少工友雖有一隻耳朵失聰，卻仍不符合申請補償的資格。此外，據悉工友在公立醫院及私家診所量度出來的平均純音聽力損失，往往有很大差距。有見及此，政府可否告知本局：

- (a) 該管理局由成立至今，共接獲多少宗申請個案，仍在考慮中的有多少宗；
- (b) 現時公立醫院及私家診所是否採用相同的方法量度工友的平均純音聽力損失；若然，這套方法是怎樣的；若否，原因何在；
- (c) 鑑於肺塵埃沉著病補償基金的性質與職業性失聰補償基金相似，為何前者的申索人無須自行繳費進行肺功能測試，而後者的申索人卻須自行繳費進行聽力測驗；及
- (d) 依據甚麼準則規定職業性失聰補償的申索人須從事最少十年的高噪音工作？

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the Occupational Deafness Compensation Scheme is a collective liability compensation scheme which was set up under the Occupational Deafness (Compensation) Ordinance in April 1995, with the objective of compensating employees who suffer from noise-induced deafness by reason of their employment. The Scheme came into operation in July 1995.

To be eligible for compensation under the scheme, a claimant is required

under the Ordinance to fulfill the following disability and occupational requirements:

- (a) he should be suffering from sensorineural hearing loss amounting to not less than 50 dB in each ear, where such loss is due in the case of at least one ear to noise and being the average of pure tone losses measured by audiometry over the 1, 2 and 3 kHz frequencies; and
- (b) he should have
 - (i) at least 10 years of employment in aggregate in specified noisy occupations in Hong Kong; and
 - (ii) a period of continuous employment in a noisy occupation at any time either within the 12 months preceding the application for compensation or within the 72 months before the date of implementation of the scheme, that is, 1 July 1995, provided that he submits his application for compensation within 12 months after the commencement of the Scheme, that is, by 30 June 1996.

As regards Part (a) of the question, up to 29 February 1996, the Occupational Deafness Compensation Board (the Board) has received 231 applications for compensation of which 142 are under consideration, 45 have been approved, 39 were rejected, and five withdrawn by the applicants.

As regards Part (b) of the question, according to Section 15 of the Ordinance, a claimant who applies for compensation under the Scheme and who fulfills the occupational requirements has to undergo a hearing test at a hearing test centre designated by the Board for the purpose of assessing the degree of hearing loss suffered by the claimant. The Yaumati ENT Clinic of the Hospital Authority is the only clinic which has been designated by the Board under Section 36 of the Ordinance as the hearing test centre for the Scheme.

The audiological facilities and calibration methods being used in the hearing tests conducted at the Yaumati ENT Clinic conform with well-established international standards. Moreover, as an administrative rule, the

Board requires each claimant who applies for the hearing test to be away from excessive noise at work for at least 24 hours prior to taking the audiometric test, so that the measurements can truly reflect his/her permanent hearing disability. This rule is also in line with international standards. As regards tests conducted by private clinics, we have no information on the audiological facilities and calibration methods which may be used to determine hearing loss. Nevertheless, the results of hearing tests conducted by any of these private clinics will not be accepted for the purpose of compensation under the Scheme.

Part (c) of the question concerns the requirement that the claimant has to pay for the hearing test under the Scheme. This requirement was drawn up as a means to prevent abuse of the hearing test arrangement, having regard to the limited audiological resources in Hong Kong. However, all claimants who have passed the hearing test conducted by the hearing test centre designated by the Board will be reimbursed the full amount of the cost and will not be required to pay for the cost of the subsequent medical examination which will be fully borne by the Board.

It is not appropriate to compare this aspect of the Scheme with the Pneumoconiosis Compensation Scheme (PCS) — another collective liability compensation scheme established by statute for persons who are diagnosed after 1 January 1981 to be suffering from pneumoconiosis. The incidence of pneumoconiosis suffered by claimants under the PCS is usually identified through a lengthy curative process. Patients have normally been suffering from chest diseases and receiving medical care for a considerable time. When their medical conditions have become stabilized, their attending physicians (usually doctors in the Government chest clinics) will be in a position to diagnose that they may have contracted pneumoconiosis and refer them to the Pneumoconiosis Medical Board (a body established for the determination of the degree of incapacity of eligible pneumoconiotics under the PCS) for consideration. In other words, these claimants have already undergone the necessary screening procedure during the treatment process. It is therefore not necessary to require them to pay for the cost of a pulmonary function test.

As regards Part (d) of the question, an occupational requirement was required so as to establish a casual relationship between a claimant's deafness and his occupation. This is essential because the objective of the Scheme is to provide compensation for persons suffering for noise-induced deafness by reason

of their employment.

The occupational requirement was set at 10 years on the basis of medical advice that this time period was considered appropriate for the development of the minimum sensorineural hearing loss of 50 dB measured at 1, 2, and 3 kHz frequencies as specified under the Scheme. This was also determined with reference to the same requirement used in the United Kingdom and Singapore for their own occupational deafness compensation schemes.

In the light of its operational experience, we will conduct a review on all the various aspects of the Scheme after it has been in operation for one year.

Government Relief in Chills

15. **MRS ELIZABETH WONG** asked: *Arising from the large numbers of deaths of old people, suspected to have been caused by hypothermia, over the Lunar New Year holiday period, will the Government inform this Council whether it has conducted an investigation into the appropriateness of the Government's action to meet the needs of the vulnerable groups in the recent cold spell experienced in the territory; if so, what is the outcome of the investigation; if not, why not?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, hypothermia was not reported as the cause of death of any of the elderly people who died during the recent cold weather. Post mortems show that other underlying medical problems were the cause of death in these cases. The low temperatures may have contributed to exacerbating such medical problems.

The Government has reviewed the actions taken during this period to meet the needs of people vulnerable to such cold weather.

One of the most vulnerable groups were street-sleepers. In accordance with standing arrangements, the Home Affairs Department opened shelters for anybody who needed them. They were opened on a 24-hour basis and provided

blankets, ground mats, mattresses, hot drinking water and hot meals. Staff also offered street sleepers transport to take them to the shelters. Social Welfare Department staff distributed blankets to street sleepers who were also given information regarding how to obtain further assistance if needed. All street sleepers have been offered alternative accommodation as a matter of policy. The Subventions and Lotteries Fund Advisory Committee is about to consider a request to start in this month an outreaching multi-disciplinary team to encourage elderly street sleepers to accept housing and reintegration into society.

The other main vulnerable group was identified as elderly persons living alone. This group is vulnerable at all times and especially so in cold weather. In the recent cold spell, Social Welfare Department staff at district level contacted voluntary agencies providing services to the elderly and all local government welfare offices to make a special effort to contact known elderly persons living alone to check that they were alright.

Various new initiatives are being taken or existing programmes speeded up to improve the care of elderly persons living alone, for example:

- (a) the Social Welfare Department will take the lead to introduce measures to mobilize a higher level of community and volunteer support to develop a better social networking system to support the elderly and other vulnerable groups. It will build on the network of multi-service centres for the elderly and the experience already gained in various volunteer pilot programmes already in hand. The ongoing expansion of home help teams will also bring practical benefit to elderly people living alone.
- (b) Steps are being taken to identify those single elderly persons and other at-risk recipients of Comprehensive Social Security Assistance (CSSA) who may not have a telephone to encourage and assist them to apply for one. CSSA grants are available to cover both the installation and recurrent costs of telephones for those in need. The cold weather highlighted how important it is for vulnerable groups to have easy access to telephones to call for help.
- (c) Since 1990, the Housing Department has been fitting alarm bells in public housing units occupied by elderly persons living alone. The

Department is now considering a system which would link such alarm devices to a central control system.

The review concluded that the immediate measures taken by the Government during the cold weather constituted an effective and practical response to an emergency situation. But there are always things that can be done better and lessons have been learnt. It is clear that it cannot be left to the Government alone to act in such circumstances. The family and the community as a whole have a vital role to play in showing care and concern at such times by checking on elderly relatives, neighbours and friends. In the final analysis, there are simply not enough professional social workers and others to knock on every door. The Government and non-governmental organizations can and do provide a comprehensive range of professional services but they will always rely, to a certain extent, on caring members of the community to act as referral agents to bring the vulnerable into contact with the professional advice and services which are available to help them.

Clearance of Cottage Areas

16. 葉國謙議員問：政府可否告知本局：

- (a) 政府有否計劃清拆目前全港尚存的平房區；
- (b) 若(a)項的答案為肯定，各平房區清拆的時間順序為何；而受清拆影響的平房區居民將得到何種形式的安置；及
- (c) 若(a)項的答案為否定，政府會否考慮制定安置平房區居民的長遠政策？

SECRETARY FOR HOUSING: Mr President, there are six cottage areas (CAs) in the territory, namely, Fo Tan, Tung Tau, Lai Chi Kok, Mount Davis, So Kon Po and Tiu Keng Leng. Clearance of Tiu Keng Leng CA to allow for the development of Tseung Kwan O new town, including major public housing projects, was announced in April 1995. Partial clearance of So Kon Po CA and Mount Davis CA was announced in April and July 1995 respectively for slope

safety reasons. There is no plan to clear the remaining CAs.

It is the Government's policy that no one will be rendered homeless as a result of government clearance operations. Eligible residents will be offered public rental housing, or given priority to buy Home Ownership Scheme flats, or allowed to join the Home Purchase Loan Scheme to buy flats in the private sector. Ineligible residents in need will be offered accommodation in temporary housing areas.

We will keep the need to clear the remaining CAs under review, taking into account also the availability of our rehousing resources.

Respiratory Diseases

17. 羅祥國議員問：政府可否告知本局：

- (a) 近年港人所患上的主要呼吸系統疾病為何；
- (b) 本港因患上各種呼吸系統疾病而死亡的人數是否日趨增加；及
- (c) 有何措施教導市民如何預防此類疾病？

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) The major respiratory diseases which have affected the people of Hong Kong in recent years are lung cancer, pneumonia and chronic obstructive pulmonary diseases including asthma. Tuberculosis has undergone a resurgence in many parts of the world in recent years and remains a threat.
- (b) The death rate from the major respiratory diseases has remained relatively stable over the past three years.
- (c) Cigarette smoking is a very significant health hazard and is a

recognized cause of bronchitis, emphysema and other lung diseases as well as being implicated in a number of cancers and significant disease conditions. The Government has, since 1982, been taking active and increasingly stringent measures to combat smoking, including the banning of smoking in public places, the requirement to display health warnings and tar contents on cigarette packs, the restriction of tobacco advertisements in the electronic media and the establishment of non-smoking areas in restaurants. The Hospital Authority has also identified chronic lung diseases as one of the priority health areas targeted for concerted action. Public hospitals have taken the initiative in launching smoking reduction and cessation programmes to reduce the risk of cigarette smoking, particularly to those who are already suffering from respiratory diseases.

Turning to the other major preventable respiratory disease, that is, tuberculosis, the Government has in place a universal vaccination programme for preventing tuberculosis and a dedicated service for early detection, control and treatment of the disease. In addition, patient education on respiratory diseases is given through the Central Health Education Unit of the Department of Health, at government out-patient clinics, specialist out-patient clinics and patient resource centres of public hospitals. The setting up of the Health Care and Promotion Fund to further the promotion of a healthy lifestyle, including suitable nutrition and exercise, is also likely to benefit those prone to respiratory illnesses.

Smuggling Prohibited Articles into Prisons

18. 周梁淑怡議員問：鑑於有報導指出懲教署職員偷運違禁品進入監獄，引起各界關注，政府可否告知本局：

- (a) 過去三年，懲教人員因攜帶違禁品進入監獄而被懲教署發現的個案有多少；
- (b) 懲教署採用何種措施查核懲教人員有否進行上述非法活動；

- (c) 若發現有關人員進行上述非法活動，懲教署會如何處理；及
- (d) 懲教署會採取何種措施加強監獄保安工作？

SECRETARY FOR SECURITY: Mr President, the answer to the four parts in this question is as follows:

- (a) In the past three years, there were six cases of Correctional Services Department (CSD) staff caught smuggling unauthorized articles into prisons.
- (b) The CSD maintains a high degree of vigilance to prevent and to identify such smuggling activity. Detectors and prescribed search methods are used to check the belongings of every person, including staff, entering an institution. Training courses and simulation exercises are conducted to enhance the staff's skills in detecting smuggling activity. Prison staff who show signs of becoming "at risk" due to financial difficulties are interviewed and given necessary counselling. Inmates' cells are searched regularly, and if unauthorized articles are found, a thorough investigation will be carried out.
- (c) Apart from internal investigation, the CSD refers all smuggling cases involving staff to the Independent Commission Against Corruption (ICAC) for follow-up action. Of the six cases, three have been convicted, one is awaiting trial and two are on bail pending further ICAC investigation.
- (d) Security measures mentioned in (b) above are taken in each penal institution to prevent and to detect smuggling activity. Throughout the Department, a comprehensive intelligence gathering network is maintained to monitor possible smuggling activity. The Department also regularly reviews its measures and improves its training material in the light of the cases referred to the ICAC in order to prevent similar recurrences of smuggling. Besides strengthening security, it is also important to deter smuggling through education. Refresher courses are organized regularly to remind staff of the serious consequences of smuggling unauthorized

articles into penal institutions.

Occupancy Rate of Hong Kong Industrial Technology Centre

19. 黃震遐議員問：政府可否告知本局：

- (a) 目前香港工業科技中心內可供租用的面積是否已經全部租出；若然，有多少公司在輪候中；若否，租用率如何；
- (b) 使用該中心的租客共有多少，請將租客以行業與僱員人數分類臚列；及
- (c) 是否有計劃興建第二個工業科技中心，若然，將於何時落實、規模會否較現時的科技中心大，預算動用款項多少；若否，是否會支持與私人發展商合作興建第二個中心？

SECRETARY FOR TRADE AND INDUSTRY: Mr President,

- (a) The Technology Centre is 96% leased out. This is broken down into 98% occupancy for regular tenants who pay market rents and form the majority of occupants and 85% for incubatees who pay discounted rents. At present, there is no waiting list for new occupants since the Centre is not yet full. Nevertheless, the Centre has received numerous enquiries from companies about taking up the remaining available space. However, since these companies have yet to submit formal applications and indicate their respective space requirements, it is too early to say how many of them will eventually be admitted and accommodated.
- (b) There are a total of 33 tenants and 20 incubatees which are classified as follows:

Breakdown by sector

Regular tenants

Incubatees

Software and systems	12	37%	6	30%
Microelectronics and components	4	12%	3	15%
Telecommunications	5	15%	3	15%
Multi-media and Networking	5	15%	8	40%
Others	7	21%	-	-
Total	33	100%	20	100%

Breakdown by number of employees

	<i>Regular tenants</i>		<i>Incubatees</i>	
10 employees or less	9	27%	16	80%
11 - 30	17	52%	4	20%
31 - 50	3	9%	-	-
51 - 70	2	6%	-	-
71 - 90	2	6%	-	-
Total	33	100%	20	100%

- (c) The Board of the Hong Kong Industrial Technology Centre Corporation has proposed the construction and management of a second technology centre. It comprises an eight-storey office building, with a gross floor area of about 32 500 sq m (compared to 21 850 sq m for the existing centre), to be built at an estimated cost of \$520 million (at 1995 prices), by way of a direct capital injection from the Government to the Corporation. The proposal is being considered by the Administration.

BILL**First Reading of Bill****APPROPRIATION BILL 1996**

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

Second Reading of Bill**APPROPRIATION BILL 1996**

THE FINANCIAL SECRETARY to move the Second Reading of: "A Bill to apply a sum not exceeding \$157,157,323,000 to the service of the financial year ending on 31 March 1997."

He said: Mr President,

INTRODUCTION

I move that the Appropriation Bill 1996 be read a Second time.

2. This is a very proud, a very privileged moment for me. Proud because I am the first Financial Secretary who grew up here. Privileged because I am delivering this Budget to the first fully-elected Legislative Council in Hong Kong's history. The fact that I, like all the Members of this Council, am very much part of this community gives the Budget special meaning and gives all of us a special responsibility. I say this because Hong Kong is our community. It is our home. And its future is our future.

3. A Budget is not simply an accounting exercise. It is not just a routine report on the territory's economic and financial well-being. It is, with the Governor's policy address, one of the two set-piece occasions each year when we in the Government:

- o account for our stewardship of Hong Kong's economic and social affairs;
- o address the concerns of the community, which Members of this Council have articulated so forcefully; and
- o discharge our duty of leadership by offering a clear vision of what the future holds for Hong Kong.

4. I shall have a lot more to say this afternoon about Hong Kong's future and about my vision of what can be achieved if the Government, this Council and the business leaders can go on working together in the best interests of the community we serve. I spoke of a duty of leadership. It is a duty which I and my colleagues in the Civil Service take very seriously. To put it simply, it is our duty to offer our community a clear description of what can be achieved and

what we need to do to make our vision a reality.

5. My distinguished predecessor, Sir Hamish MACLEOD, made personal consultations with every Member of the Legislative Council a central feature of his budget preparations. In preparing my first Budget, I have continued this practice. The responsibility for the Budget is mine, of course, but the valuable contributions of Honourable Members have made my task a great deal easier. I am also grateful for the support and sheer hard work of my colleagues in the Civil Service in preparing my Budget.

6. But I have broken with Sir Hamish's approach in one respect. I want to make the Budget more accessible. I want to make it easier for the community, as well as for Members of this Council, to get at the facts, the assumptions and the policy proposals which it contains. So, besides producing the entire set of budget documents in both English and Chinese for the first time, I have adopted a very simple, three-part structure.

- o In the first part, I shall look back at the trends and developments which have shaped our economy and our way of life and brought us the prosperity we enjoy today.
- o In the second part, I will describe the current performance of the economy and look at the prospects for the year ahead.
- o In the final part, I will describe how, in the next century, Hong Kong can achieve its full potential as a world-class service economy.

As a consequence, my revenue and expenditure proposals do not appear in a single section as in previous budgets. They are set out in the second and third parts. In another break with tradition, I will deliver the conclusion to my speech in Cantonese.

HONG KONG PAST

A Tradition of Success

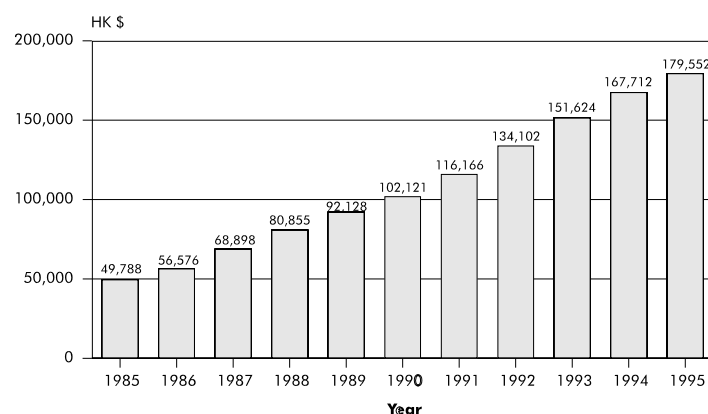
7. The economic history of Hong Kong can be summed up very simply. Manufacturing formed the backbone of our economy for three decades from the

1950s. During these years, the "Made in Hong Kong" label came to mean high-class fashions instead of cheap textiles. This transformation became a symbol the world over of our determination to lay the foundations of the economic and social success we now enjoy. But, over the past 15 years, we have undergone a second revolution in the way we earn our living. By last year, 72% of our total workforce was employed in the services sector, and 83 % of our GDP came from services. Even if we exclude the public sector, services still account for an astonishing 73% of GDP. So swift has this change been that it has taken us policy-makers time to catch up with the new economic reality. Perhaps in a free-market economy, this was inevitable. Entrepreneurs and markets, and not Financial Secretaries, must lead economic change. I believe that the time has come to give the services sector the place it deserves in our economic policies.

8. Let us be clear about what we mean by a service economy. Quite simply, it means that we now earn our living by selling our skills, our creativity, our enterprise, our professionalism and our reputation for integrity. To put it another way, we have moved up market as an economy and as a community.

- o We now have a well-educated and skilled workforce. Our recurrent spending on education has increased 61% in real terms in the past 10 years.
- o We are now prosperous not only by the standards of our own past but prosperous by the standards of the developed world. Our *per capita* GDP has increased by 65% in real terms in the past 10 years.

Per capita GDP at current market prices



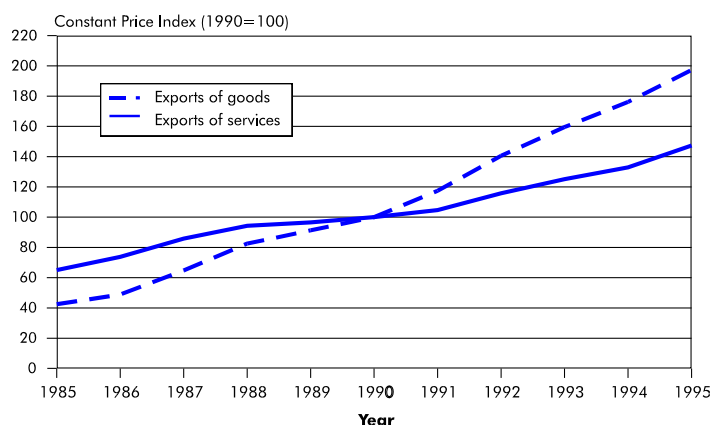
9. And we have put our prosperity to good use by investing in our social as well as our physical infrastructure. As a result, we have increased our recurrent spending on health, welfare and housing programmes by 117% in real terms in the past 10 years.

10. The results of these improvements are self-evident. For example,

- o In the past 10 years, we have built about 400 000 new public housing units.
- o Over the same period, the proportion of the relevant age group studying for degrees has risen from 4% to 18%.
- o Since 1984, life expectancy at birth has increased by two full years. Our life expectancy rates are now among the longest in the world.

11. Hong Kong has much to be proud of. We have exercised self discipline, and we have made the investments that have brought us our success. But we should recognize that this success would not have been possible without three fundamental economic developments which took place outside Hong Kong.

- o The first has been the success of the GATT in opening up world trade and keeping protectionism at bay. World trade has doubled every six years since 1969.
- o The second has been the dramatic surge in China's growth. Thanks to its "open-door policies", China's real GDP has doubled every eight years since 1979. Our links with the Chinese economy have grown so rapidly and so extensively that we now play a vital part in the world's most dynamic economy.
- o The third has been the take-off into sustained economic growth of our neighbours in Asia. Our trade with them has doubled every four years since 1966.

Real growth in exports of goods and services 1985-95

Later in my speech, I shall have more to say on our future prospects and how we must build on past achievements. We cannot rest on our laurels. Past success is no guarantee of future prosperity.

The Government's Contribution

12. Over the last 40 years, Hong Kong has developed its own way of managing its economic and social affairs. We have our own blend of enterprise and regulation, our own balance between the public and the private sectors, our own formula for individual liberty and social responsibility. I do not think it is going too far to say that there is a distinct Hong Kong model of economic and social development. We might describe this model most simply as a commitment to markets and enterprise but with a recognition that, for these to work fairly and effectively, the Government cannot be passive. The community wants vigour and inspiration from its government, not lethargy.

13. The Government's contribution has been:

- o to provide the legal and regulatory infrastructure which underpins free and fair markets;
- o to encourage enterprise through small government and low, stable and predictable taxation; and
- o to manage our public finances to meet the community's priorities for

a modern infrastructure, better homes, health care, better schools and social welfare.

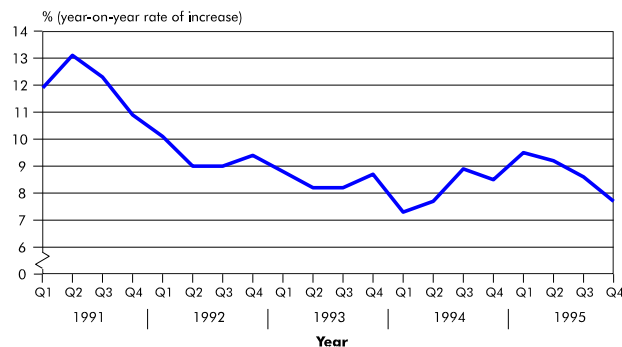
1995 Performance

14. There is no better testimony to our success of the Hong Kong model than the simple fact that we have enjoyed unbroken economic growth since we began to compile GDP figures in 1961. Of course, growth in some years has been faster than in others. We achieved a real GDP growth of 4.6% last year. This outcome, though lower than we had originally hoped, was still robust. Growth was dampened by a sharp slowdown in domestic consumption and reduced private sector building activities as the property market consolidated. We experienced, as in the past, a cyclical adjustment following a period of particular buoyancy in these two areas.

15. Nevertheless, total exports of goods grew by 12% in real terms. Imports of goods, however, grew more rapidly, by 14% in real terms. The visible trade deficit thus widened to 10% of the value of imports, somewhat above the average for the past decade. This increased deficit reflected in part a 15% increase in retained imports of raw materials for production and infrastructure construction, and in part to an impressive 20% growth of investment in machinery and equipment. We should draw considerable encouragement from this fact. Our balance of trade has deteriorated principally because we have been investing in the expansion of our productive capacity. In due course, this will show itself in increased output, a growth in exports and higher GDP. We should also draw encouragement from an 11% growth in real terms in our exports of services, and from the fact that the substantial invisible trade surplus largely offset our visible trade deficit.

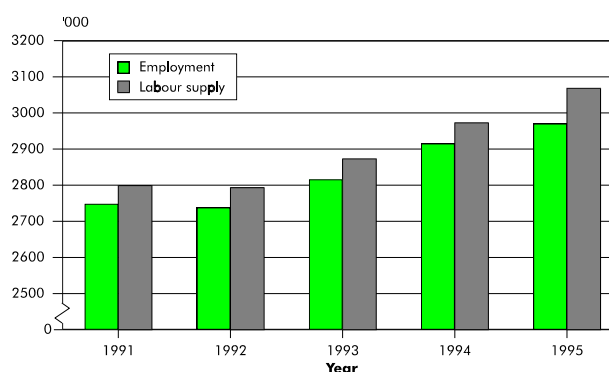
Inflation

16. The average rate for inflation during 1995, as measured by CPI(A), was 8.7%. Underlying this was a sharp fall, from 10.1% in January to 6.6% at the end of the year. The easing of inflation owed a great deal to the way in which the US dollar gained strength in the latter part of the year. Also contributing were more stable world commodity prices, as well as a significant moderation in China's inflation. In addition, locally-generated inflationary pressures eased. Specifically, rents and labour costs moderated, while the prices of consumer goods softened.

Consumer Price Index (A)***The Labour Market***

17. Last year, we experienced an uncomfortable rise in the rate of unemployment. The increase in the number of people looking for jobs was caused not so much by the lower than expected rate of GDP growth, but was largely a consequence of changes in the labour supply situation.

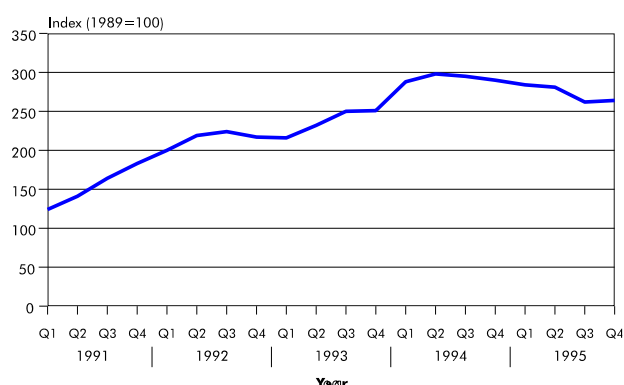
- o The total supply of labour increased by over 3% in each of the last two years. More emigrants returned from overseas and more immigrants arrived from China. Also, there has been a larger proportion of women entering the workforce.
- o Total employment had also increased healthily in 1995. But at 2%, the rise was not sufficient to keep pace with the additional labour supply.
- o Consequently, the unemployment rate rose to 3.5% at the end of the year.

Employment and labour supply 1991-95

18. We cannot be complacent about the employment situation, low though our rate is by international standards. In the latter part of the year, the private sector was still reporting 50 000 vacancies. Thus, the problem seems to be less a lack of jobs than a mismatch between the skills on offer by the unemployed and the skills required by potential employers. I shall have more to say on this mismatch and how we can overcome it later in my speech.

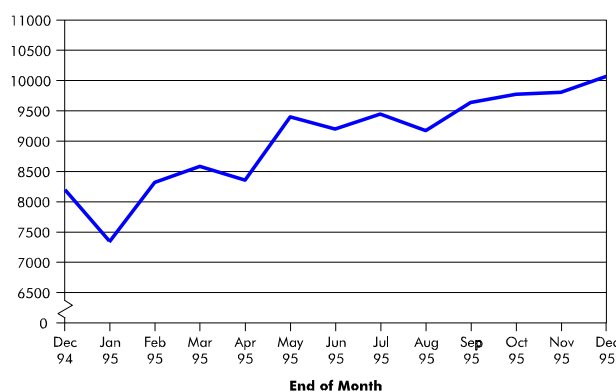
The Residential Property Market

19. The residential property market continued to consolidate during 1995. I now believe that, following the successful implementation of the measures devised by the 1994 Task Force, the property market has stabilized. By the end of the year, the average prices for residential flats were 24% lower than the peak levels reached in the early part of 1994. Although prices were some 20% above the levels seen at the end of 1992, they were still lower in real terms than three years earlier. Thus, flats have become generally more affordable to home-buyers, and speculation has subsided. The ground has been laid for the healthy development of the market in the future.

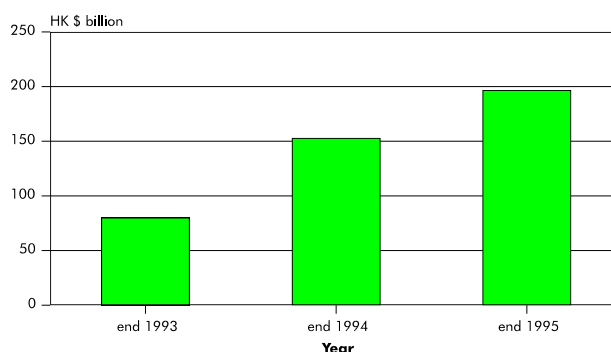
Residential property prices 1991-95***Financial Markets***

20. Our financial markets performed well in 1995.

- o The stock market was the best performing in the region, with a 23% increase in the Hang Seng Index for the year.

Hang Seng Index 1995

- o The futures market recorded over five million contracts for the year, an all-time high, although this was a year of reverses for overseas futures markets generally.
- o The banking sector saw solid gains. Total deposits and loans both rose by around 14%. The Hong Kong dollar debt market increased by 29% over the year to reach \$197 billion, an indication of its impressive liquidity.

Outstanding amount of HK\$ debt issues

21. Last year was also important because of the further reassurance of the resilience of our financial institutions it offered. I refer in particular to the linked exchange rate. The fall-out from the Mexican currency crisis in early 1995 affected a number of Asian currencies. Hong Kong was not immune from the turbulence. The Hong Kong Monetary Authority handled these pressures decisively and demonstrated the effectiveness of its contingency measures to defend the linked rate. During the year, the Monetary Authority took further steps to reinforce the stability of our financial institutions. It has strengthened ties with other regional central banks. Arrangements are now in place to exchange information with them on currency speculation, as well as for formal repurchase agreements to increase the liquidity of each parties' official reserves. The lessons of last year should be very clear. Our commitment to the linked exchange rate at its current parity is absolute. We will not allow speculators to undermine the stability of our financial system. We have both the expertise and the resources that we need to defeat them.

The Exchange Fund

22. As Members know, the Administration is committed to openness and transparency in the operations of the Exchange Fund. Last year, for example, we increased the frequency with which we publish information about the Fund. We are now doing so quarterly. I am happy to take this opportunity to inform Members that the underlying foreign exchange assets in the Exchange Fund rose again in the last quarter of 1995. They now stand at US\$57.2 billion. This is 12% higher than the corresponding total for the year before. These are impressive figures indeed.

The 1995-96 Outturn

23. I will complete my review by providing Members with details of our public finances for the financial year 1995-96. We are now forecasting a deficit for the current year of \$2.5 billion. This is virtually the same as the deficit we originally estimated. In overall terms, this outcome has arisen because a reduction in revenue of \$8.2 billion has been offset by an underspending of \$8.3 billion. However, the original estimates for both revenue and expenditure included the Post Office and the Office of the Telecommunications Authority. During the year, these became trading funds. As a result, we have to account for their revenues and expenditures in the books of the new Trading Funds rather than, as previously, in the General Revenue Account. After eliminating the effect of this accounting change, revenue for the year is \$6.4 billion less than originally estimated, while underspending amounts to \$6.6 billion.

Expenditure

24. On the expenditure side, there are two main reasons for the underspending.

- o First, there has been underspending of \$4.5 billion from the Capital Works Reserve Fund. This is a result of reduced expenditure on land acquisition of \$1.5 billion and a slippage in capital works of \$3.0 billion.
- o Second, there has also been underspending of \$1.8 billion from the Loan Fund. This arises as a result of the payment of loans to the Housing Society being made in March 1995 rather than in the current financial year as anticipated when preparing the original estimates.

25. The underspending of \$4.5 billion in the Capital Works Reserve Fund amounts to 12% of the original estimate. This is the third year in which underspending has been reduced from the high levels of over 30% experienced in both 1991-92 and 1992-93.

Revenue

26. On the revenue side, we have seen a shortfall in both capital and recurrent revenues as a result of two main factors:

- o First, land revenue. During the year, land prices have generally been in line with our expectations. Indeed, the total land premia collected in the year will exceed the original estimate. However, the premia for several sites will not be collected until the final quarter of the current financial year. Because of the sharing arrangements with the future Hong Kong Special Administrative Region Government, the Administration will not receive the proceeds of these land premia collected in the final quarter until the next financial year. As a result, our actual receipts of land revenue in 1995-96 will be \$3.0 billion less than the original forecast.
- o Second, recurrent receipts are lower than originally forecast, reflecting the slower pace of economic growth in 1995. The principal shortfalls in receipts are those from motor vehicle first registration tax of \$1.5 billion, duties of \$0.5 billion and internal revenue of \$0.9 billion.

HONG KONG PRESENT

1996-97 Prospects

27. I now turn to the second part of my speech in which I shall review our current situation and the prospects for the year ahead.

1996 Forecasts

28. For 1996, I forecast that GDP will grow by 5% in real terms. This represents an improved performance from last year, to a level in line with the medium-term trend. I also expect inflation, as measured by the CPI(A), to ease appreciably further, to an annual rate of 7.5%. The moderating trend in both domestically-generated and imported inflation that has emerged in the latter part

of last year is expected to carry over into the current year. The level of unemployment will continue to depend primarily on the labour supply. On current indications, it seems unlikely that the unemployment rate will revert quickly to the very low levels to which we are more accustomed. However, I believe that the better economic prospects that I am forecasting will bring a gradual improvement.

The Trading Environment

29. The general external environment for our trade looks favourable. Economic growth in our major overseas markets, including the United States, Europe and Japan, is generally improving. The recent easing in interest rates is helpful in this respect. In the Asia-Pacific region, growth continues to be dynamic, and trade liberalization is gathering momentum, though one cloud on the horizon remains the annual threat to China's most-favoured-nation status in the United States market. The APEC initiatives on trade liberalization are now winning wider support. A key objective of China's Ninth Five-Year Plan is to ensure steady growth and to keep inflation in check. This should provide a solid foundation for the continuing healthy development of our trade and other economic links with China.

30. Overall, I forecast our total exports of goods to grow this year by 10% in real terms. I expect a growth of only 0.5% in domestic exports but a 12% growth in re-exports. For our exports of services, I forecast continued robust growth also at 10% in real terms. Overall, the surplus on invisible trade would be enough to offset the deficit on visible trade.

The Domestic Economy

31. Domestically, the business prospects also look favourable. Wages and salaries are rising more moderately, and property prices and rentals are unlikely to rebound sharply. Together with the recent substantial investment in machinery and equipment, all this promises well for holding down our costs of doing business and enhancing our competitiveness. On domestic consumption, my forecast is for an accelerated growth in consumer spending to 4% in real terms for 1996 as a whole, with probably a stronger pick-up in the second half of the year. Consumer sentiment is expected to turn better following the rebound in both the stock and the property markets. This will be helped further by the

recent easing in interest rates. On domestic investment, construction work on our Airport Core Programme will peak this year, while private sector building activity is expected to bottom out. On the other hand, expenditure on machinery and equipment is likely to rise at a more moderate pace after two consecutive years of substantial growth. I forecast the growth in our fixed asset investment to be slightly less rapid than last year, at around 6% in real terms.

Social Concerns

32. Overall then, our immediate economic prospects remain good. But I cannot ignore what has been called the "feel bad" factor: the concerns about unemployment and persistent inflation and the cautious attitude on consumption, even though the situation has improved somewhat. The economic statistics of higher GDP, lower inflation, stabilized unemployment rate, rising exports and increased investment are of little comfort to those who have lost their jobs or to businesses under pressure as consumers hold back spending. In his policy address last October, the Governor announced a series of measures aimed at tackling directly the problems of unemployment and low incomes. Let me assure Members of this Council and the community that this Budget makes provision for funding all the measures announced by the Governor. Where possible, I shall be proposing that we go even further in improving and expanding these programmes.

Getting People Back to Work

33. The first priority is to get the unemployed back to work. As I explained earlier, a major challenge is matching skills to jobs. In 1992, we set up an Employees Retraining Scheme to provide retraining for displaced workers. To date, the Employees Retraining Board has provided over 100 000 places on its courses, teaching workers new skills or helping them to upgrade their existing skills. In 1992, we made a grant of \$300 million to the Board as its reserve. But its primary source of income is the levy imposed on employers of imported workers admitted under the various importation of labour schemes. The freeze since April 1995 on the allocation of quotas under the General Importation of Labour Scheme has reduced the income of the Board from its levy. Consequently, the Board has begun to draw down the \$300 million reserve,

which now stands at \$186 million. The General Scheme has been replaced by the Supplementary Labour Scheme. This provides for the entry of a limited number of imported workers, which will further reduce the income available from the levy. I propose to inject another \$300 million into the Board's reserves to ensure that it has the financial resources to expand its programmes.

34. But retraining is only part of the solution. When people have skills to offer which the market needs, workers have to be put in touch with potential employers. This is why our Job Matching Programme is so crucial. We have now extended the scope of this Scheme to cover all job-seekers. Its success rate has been increasing steadily, and has now reached 71%.

Safety Net

35. The Governor also presented the interim results of a review of the Comprehensive Social Security Assistance (CSSA) Scheme during his address to this Council last October. Members will recall that, based on the findings from the first six-months data from the Household Expenditure Survey, he announced a package of major improvements to certain CSSA standard rates. The higher rates will come into force on 1 April, and they will cost about \$300 million.

36. In announcing these increases, the Governor pledged that we would seek this Council's endorsement for any additional benefits recommended on completion of the CSSA review. We have now completed that review and identified areas in which further improvements in CSSA are necessary. This is not the place to spell out the detailed results of the review. The Secretary for Health and Welfare, together with the Director of Social Welfare, will be doing so on Friday. But I feel I should give Members this afternoon a brief summary of the main benefits we will provide, including our additional improvements to the CSSA Scheme which will cost an extra \$200 million a year on top of the amount pledged by the Governor.

- o For adults not expected to work (for example, those in ill-health, single parents or family carers), taking into account the increases announced by the Governor, the current monthly standard rate will be increased by \$600. This will be adjusted for inflation, as approved by Members. As a result, the new rate will be \$1,935 a month for a single person and \$1,760 for a family member from 1

April. These new rates represent real increases of between 50% and 57%.

- o For adults expected to work but currently without jobs, taking into account the increase announced by the Governor, the current monthly standard rate will be increased by \$300. Together with the inflation adjustment approved by Members, the new rate will be \$1,615 a month for a single person and \$1,440 for a family member from 1 April. These new rates represent real increases of between 25% and 29%.
- o For adults with a 50% disability living in a family, the current monthly standard rate will be increased by \$140. Together with the inflation adjustment approved by Members, the new rate will be \$1,760 a month. This new rate represents a real increase of 9%.

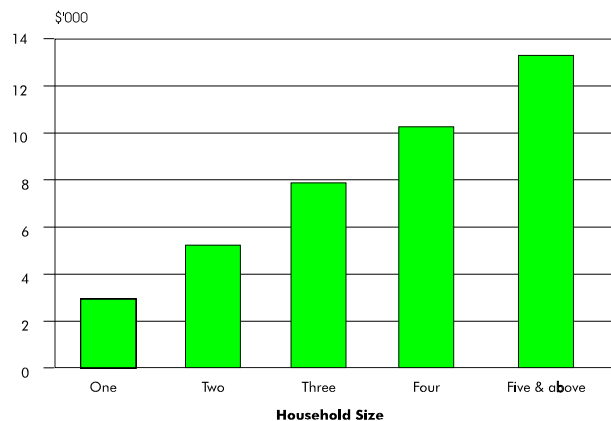
37. The standard rates are only one aspect of the review exercise. A number of other improvements are being recommended. For example,

- o Higher rent allowances will be available to CSSA recipients living in private housing.
- o A new special grant of \$320 a year will be payable to the elderly to reimburse their spending on social and recreational activities. They will also be paid a special allowance of \$200 at Chinese New Year.
- o The current rules will be revised to permit the elderly to receive CSSA standard rates and long-term supplements if they retire to China.

38. Taking into account the proposed increases in standard rates and the special grants payable to those in need (such as rents, school expenses of children, water charges, and so on), the Director of Social Welfare estimates that, from 1 April 1996,

- o a singleton household will on average receive \$2,940 a month; and

- o a four-person household will on average receive \$10,270 a month.

Estimated average monthly CSSA Payment 1996-97

As I have said, the full details of the improvements will be announced on Friday. My purpose today has been to report progress on the initiatives announced by the Governor last October.

Care for the Elderly

39. We have been reminded in recent weeks that the elderly are particularly vulnerable members of our community. It is for this reason that we are providing substantial resources to meet their needs. For example,

- o This year, we have provided \$9 billion both on financial assistance and on health and welfare services for the elderly. This represents an increase of 50% in real terms over 1992.
- o Next year, expenditure on welfare services for the elderly will increase by 17%.

We are putting these resources to good use.

- o By the end of next year, we will be subventing 16 455 residential care places, more than three times as many as 10 years ago.

- o We will provide an additional 43 social centres for the elderly, six multi-service centres and three day care centres.
- o We have already provided four elderly health centres and three more will come on stream by 1997.

40. Concern expressed over the welfare of elderly persons in the recent cold spell has focused attention on the issue of outreaching to elderly persons living alone. In emergency situations like this, the Social Welfare Department mobilizes a large number of professional staff to reach out, for example, those serving in Family Service Centres. In normal times, in addition to the two elderly outreach teams in operation, staff of the Home Help service are in regular contact with elderly persons since 80% of their clients are elderly. Through these home visits, elderly persons with special needs are identified and referred by home helpers to other welfare services as necessary. We have doubled the number of these teams over the past six years. Next year, we will increase the total number to 126 team, enabling us to serve about 12 000 elderly people. We are currently also using volunteers to reach out to elderly persons at risk through experimental programmes for older volunteers and other volunteer workers. This month, on a pilot basis, we will establish a multi-disciplinary team to provide intensive outreach services to elderly street sleepers.

41. As a new initiative, we will provide financial support for selected multi-service centres for the elderly to organize new services to reach out to elderly people at risk. The Director of Social Welfare is now examining how best to take this forward through voluntary agencies who will be encouraged to make full use of volunteers to supplement the efforts of professional social workers.

42. Finally, and as a direct result of our experience of the recent cold spell, the Director of Social Welfare is looking at ways to speed up the provision of special grants for such items as telephones for elderly CSSA recipients. In addition, we shall provide the resources needed to improve the facilities at temporary shelters operated by the Home Affairs Department.

43. Our programmes have been guided by a clear-sighted strategy. This is based on the landmark report in 1994 by the Working Group on Care for the

Elderly chaired by the Honourable Mrs Elizabeth WONG when she was Secretary for Health and Welfare. The Working Group made a total of 71 recommendations. We have funded, and are implementing, every single one of these recommendations. But we cannot afford to stand still when it comes to taking care of the elderly members of our community. Next month, we will launch an important follow-up study into the needs of the elderly. I want to make it plain to Honourable Members today that our commitment to providing resources for the services our elderly need will continue. Caring for the elderly is, and will remain, a major priority.

44. After this review of our initiatives on unemployment, support for those with low incomes and help for the elderly, I would like to summarize our plans for expanding our other social service programmes in the current year.

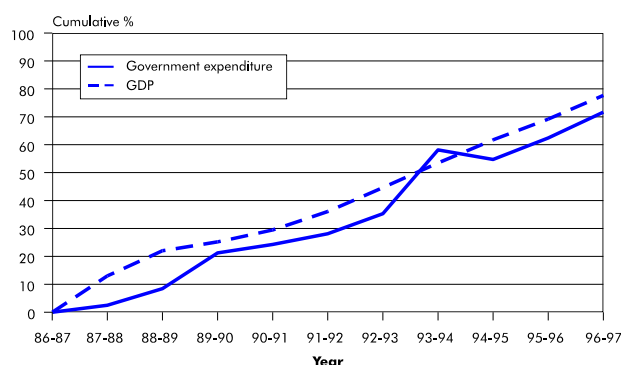
- o There will be further improvements in our education programmes, on which we propose to spend \$34.5 billion in recurrent expenditure.
- o There will be major improvements in our medical and health services, on which we propose to spend over \$22.6 billion in recurrent expenditure.
- o There will be major improvements to our social welfare programmes, on which we propose to spend over \$16.5 billion in recurrent expenditure. This will represent an increase of 14.7% in real terms.

45. I want to make it absolutely plain to this Council and the community that we are in the fortunate position of being able to make all these improvements to our social welfare, health and educational programmes without breaching our budgetary guidelines. Indeed, if there had been any danger of breaking our guidelines because of these improvements, we would not have made them. The new wealth generated by our robust economic performance will fully fund all these measures. We continue, I can assure Honourable Members, to live well within our means, even after responding to the community's aspirations for improved social services.

Expenditure Estimates 1996-97

46. When account is taken of the additional spending initiatives which I have just announced, and others which I will detail shortly, I estimate that, in 1996-97, government expenditure (excluding payments from the Capital Investment Fund) will total \$183.7 billion. This is an increase of \$22.1 billion over the revised estimate for 1995-96. This increase is comfortably within the level of expenditure permitted under our expenditure guideline, that is, that expenditure, over time, should grow at a rate no faster than the economy. Appendix A to the printed version of my speech demonstrates this clearly.

Real growth in government expenditure vs real growth in GDP



Revenue Proposals

General Principles

47. I turn now to my revenue proposals. I will start by restating the principles which are the foundations of the management of our public revenue. Members are fully aware of them and I call them the "seven heavenly virtues". We must:

- o continue to retain a low, simple and predictable tax regime;
- o raise sufficient revenue to meet known spending commitments;
- o maintain a rigorous "user pays" system for setting fees and charges so as to keep tax rates low;
- o keep adequate fiscal reserves to provide a cushion against future

uncertainties;

- o combat tax avoidance and evasion;
- o provide concessions where most needed; and, finally,
- o minimize the inflationary impact.

The Government has not devised these principles in isolation. I believe that they represent a community consensus. They have served us well in the past, and I am convinced that they must remain our guide for the future. These are the principles upon which I have framed my revenue proposals in this year's Budget.

Living within Our Means

48. From time to time, there have been calls for the Government to implement bold revenue measures in order to "stimulate the economy", to reduce inflation and to cut unemployment. I have no doubt that the motives of those making such suggestions are genuine, and we share their concerns. But do they make practical sense in Hong Kong's circumstances? Total public spending as a proportion of GDP is 18%. Government spending itself is only about 14% of GDP. In consequence, we have been able to maintain low taxes.

49. With the standard rate of salaries tax at 15% and corporate profits tax at 16.5%, our tax rates are among the lowest of any advanced economy in the world. Together they provide about 40% of our total revenue. As a result, the Government's ability to directly influence the overall level of economic activity through fiscal means is very limited. In order to achieve any appreciable impact on GDP, taxes would have to be cut very substantially indeed. For example, to engineer an increase of one percentage point in GDP, we would have to slash taxes by over 10 percentage points, throwing the Budget and our financial guidelines into serious disarray. This is simply unrealistic, especially considering there is no guarantee that it would work and no guarantee that the money released would not go straight into savings instead of into spending. We do better — far, far better — in the long run to stick with our tried and tested formula of living within our means and keeping taxes low and predictable. We do best of all by maintaining our commitment to free markets and minimal government interference.

Fees and Charges

50. I mentioned earlier the need to maintain a rigorous "user pays" principle for setting government fees and charges. Our policy on this issue is simple, practical and, I believe, fair. Where there are overwhelming social considerations, we subsidize heavily, providing services free or at a tiny fraction of their cost. This is the basis on which we provide hospital services, education and public housing. But for other services which the Government provides, where there is no overriding social need, we must maintain the principle of user pays and full cost recovery. Those who use these services, often for commercial purposes, should pay the full cost. I can see no case for taxpayers subsidizing such services. The "user pays" principle is an integral part of our system of public finances. It is part of the balance we have to strike if we are to go on providing heavily-subsidized services while, at the same time, keeping taxes low. Short-term gestures made at the taxpayers' expense would only jeopardize the fundamentals of our public finances.

The Reserves

51. There have also been calls for us to dip into our reserves. The appropriate level of reserves over the long run can be a matter of debate. But let me state unequivocally. This is not the time, with all its inherent uncertainties, to reduce the cushion of healthy reserves that Hong Kong at present enjoys. Our reserves underpin the soundness of our financial system and must be maintained. Following a recent visit by the International Monetary Fund, its report wholeheartedly endorsed our commitment to maintaining Hong Kong's long-established fiscal policies. Indeed they emphasized, and I use their words, the need to preserve the reserves for "torrential downpours not the mild showers" that Hong Kong is currently experiencing.

Areas of No Change

52. Let me turn next to my specific revenue proposals for the coming year. I shall start with those areas where I do not propose to make changes at present.

Tax Enforcement

53. On tax enforcement, we have recently introduced legislation to counter the use of service companies to avoid or significantly reduce tax liability. We have also legislated to specify the minimum records which all businesses must keep for taxation purposes. I am confident that the new legislation is achieving its aims, and I do not propose any further measures for the time being.

54. Over the past three years, the Inland Revenue Department's investigation and field audit staff have tackled some 3 700 cases and collected about \$3 billion in back taxes and penalties. In the coming year, we will step up our efforts in this area by establishing an additional field audit team, increasing the total to nine.

Source Concept

55. Some tax experts have proposed that I should introduce legislation to clarify the territorial source concept which underlies our tax system. In brief, this concept means that only those profits which originate in Hong Kong are liable to tax here. I have considered the arguments very carefully. I have concluded that legislation on this subject is unnecessary and would not even be helpful. Where further clarification is necessary, I believe we should rely on administrative measures, such as Practice Notes issued by the Commissioner of Inland Revenue.

Tax Relief for Housing-Related Expenditure

56. During the Budget consultations, some Members asked me to consider introducing an allowance for expenditure on mortgage interest or rental payments. Some others have suggested that we should at least provide concessions to first-time home buyers. I share their enthusiasm for encouraging home ownership. Indeed, the Government already does a great deal to provide decent homes for Hong Kong people.

57. My colleagues and I have considered these ideas very carefully. The total cost over five years of the various suggestions made by Members on this could be as high as \$17.5 billion. This is a significant sum. Also, there would be serious difficulties in defining first-time home buyers without creating the

potential for widespread abuse. I believe we should continue to invest in our existing housing programmes in order to provide direct assistance to those genuinely in need. Thus with great regret, I cannot agree to provide a concession of such a nature. However, I will later discuss one concession to further alleviate the burden on home buyers, one which I hope Members will agree is worthwhile and affordable.

Profits Tax

58. I do not propose to make any change this year in the level of corporate profits tax. Comparisons with other countries in the region continue to support my view that our level of profits tax is already very low. I note, too, that a recent survey of senior executives in 16 industries found that 93% of them are happy with our current tax arrangements. In any case, the cost to the revenue of reducing the rate of profits tax would be substantial. A one percentage point reduction would mean \$1.7 billion of revenue forgone in 1996-97 and over \$11 billion up to 1999-2000. Nor do I consider that we should provide further tax concessions to encourage expenditure on research and development. Expenditure on scientific research is fully deductible. As Members will hear later, the Government can do more to stimulate research and development but the tax system would be the wrong vehicle.

59. Although I have said that I do not propose any changes to the rate of profits tax, I accept that other changes in the taxation regime for businesses are justified. I will be discussing these later when I come to talk about how we can improve the business environment to encourage future growth and development.

Depreciation Allowances

60. Last year, we asked the Board of Inland Revenue to review the classification of items that fall into the existing three categories for an annual depreciation allowance. The Board has largely completed its review. It has concluded that, on the basis of the estimated useful life of plant and machinery, the present classification is over-generous and should be changed for some items. The result would be to reduce the annual allowance for these items. I am

grateful for the work of the Board. However, I accept that the change could affect investment in plant and machinery, in particular in the manufacturing sector. In consequence, I propose to ask the Board to examine how the rationalization of the classification should best be implemented in order to ameliorate the impact on investment in plant and machinery. Any changes to be introduced as a result will be subject to approval by Members of this Council.

Stamp Duty on Stock Transfers

61. We reduced the stamp duty on stock transfers for three consecutive years from 1991 to 1993, from 0.6% to 0.3% for a complete transaction, where it stands now. In practice, the overall cost of stock transfers in the local market is largely the brokerage cost. This is not high compared with other markets in the region, and our market remains competitive. I do not propose to change the stamp duty on stock transfers for the time being. But I am prepared to review the issue next year if there are initiatives from the securities industry to reduce the brokerage cost in order to make our market even more competitive.

Rates

62. Rates are significant as a relatively progressive tax and a stable source of revenue. It is important that we should go on adjusting the rates charged to reflect the changing rental values of different types of properties and in different locations. We will conduct our routine three-year rates revaluation this year, with any changes coming into effect on 1 April 1997. I will also consider if it is necessary to introduce a suitable rates relief scheme to cushion the effect of the revaluation on those experiencing large increases in rateable values.

63. It is far better to make regular adjustments in the rates than to introduce substantial increases at less frequent intervals. In the concluding speech to the 1994-95 Budget debate, my predecessor said that we would look at the option of indexing rateable values between revaluation years, so as to soften the impact of any large increase immediately following a general revaluation. We have examined this issue. I have concluded that a better option might be to consider conducting a revaluation on an annual basis. I am seriously considering the feasibility of conducting annual revaluations after the completion of the

forthcoming revaluation exercise.

Alcohol Duty

64. We introduced a simple *ad valorem* duty system on alcoholic beverages in April 1994. The new system has benefited ordinary consumers through the effects of greater competition, especially at the lower end of the market. There was a drop in duty revenue immediately after the introduction of the new system, as most products enjoyed a duty reduction. But I note that the situation has changed, and duty revenue from alcoholic beverages has gradually picked up. I do not propose any change to the duty system.

Tax and Duty Increases

65. Having dealt with the revenue items where I do not intend to make any changes this year, I now turn to a limited number of areas on the revenue side where I believe modest increases in taxes and duties are justified for inflation and other reasons.

Tobacco Duty

66. The anti-cigarette smuggling task force established in the Customs and Excise Department in April 1994 has proved to be extremely effective in tackling the problem of cigarette smuggling. There has been a substantial increase in seizures of contraband cigarettes, and the black market price of cigarettes has continued to increase. These are sure signs that we are hurting the smugglers at current rates of duty. I consider it appropriate that we should adjust the duty rate of tobacco broadly in line with the rate of inflation. This will preserve the deterrent effect on smoking habits whilst not providing a further incentive for smuggling. I propose to increase tobacco duty by 9%.

Fuel Duty

67. There has been an increase in the smuggling and illegal use of diesel oil. We have provided resources to the Customs and Excise Department to set up additional investigation and enforcement teams in 1996-97 to tackle the problem. The situation should improve, and I consider it appropriate to increase the duty on petrol and other hydrocarbon oils by an amount broadly in line with the rate of

inflation. I propose to increase fuel duty by 9%.

Bets and Sweeps Tax

68. There has been no increase in betting tax since 1992. I consider that it is now appropriate to raise the tax from 11.5% to 12% for standard bets and 17.5% to 18% for exotic bets. This is a modest increase, and I have asked the Royal Hong Kong Jockey Club to absorb the cost of the increase by reducing its betting commission. There will be no reduction in the prize money pool, so this should not give any encouragement to the activities of illegal bookmakers. The increase should take effect from the beginning of the next racing season in September.

Air Passenger Departure Tax

69. We reduced the air passenger departure tax from \$150 to \$50 in the 1994-95 Budget. Some Members in this Council felt that the reduction was excessive and unjustified, and criticized us. With hindsight, these criticisms had some validity. (*Laughter*) The reduction obviously affected revenue. But it did not achieve the intended purpose of encouraging transit passengers to leave the transit halls so as to enhance the business of our retail trade and alleviate congestion at the airport. Statistics also show that an increase or a decrease in the tax has absolutely no effect on passenger throughput. The current level of the tax at \$50 is well below the average for the region. I propose to increase the tax to \$100, which was the level when the tax was first introduced in 1983. This will bring the tax more in line with the level charged by other places in the region. I am aware of the concerns that the tourism industry might have at this point. Let me say now that it is not my intention to ignore their interests in my Budget, and I shall give details later of measures that the tourist industry should welcome.

70. I must emphasize that the proposed increases in tobacco and fuel duties, betting and air passenger departure taxes are essential in order to allow us to fund the various revenue concessions that I propose to introduce in this Budget. They are an integral part of my Budget package.

Tax Concessions

71. Having set out the areas where I do not propose to make changes, and the very modest tax and duty increases I believe are necessary, I now turn to a number of tax concessions which I believe are justified.

Salaries Tax

72. I start clearly with salaries tax. The last three Budgets have already provided substantial benefits to salaries taxpayers. As a result,

- o There has been a real increase of 34% in both the basic and the married person's allowances.
- o The proportion of the total workforce with no liability to pay salaries tax has increased from 46% to 60%.
- o The proportion of standard rate taxpayers has decreased from 6% to 2% of the workforce.
- o The average effective rate of tax paid by salaries taxpayers has decreased from 9% to 8%.

73. These have been substantial improvements. But I share Members' views that, whenever possible, we should give priority to salaries taxpayers when it comes to tax concessions. I say this because they are the largest single group of taxpayers and they, including the Financial Secretary, are by no means the wealthiest sector of the community. (*Laughter*) I shall be proposing a wide range of concessions on personal taxation.

- o I propose to increase the basic allowance from \$79,000 to \$90,000 and the married person's allowance from \$158,000 to \$180,000. The allowances will rise by 14%, well above the rate of inflation in 1995.
- o I propose to increase the allowance for the first and second child by 11%, from \$22,000 to \$24,500.
- o I propose to increase the allowance for the third to ninth child by

14%, from \$11,000 to \$12,500.

- o I propose to increase the basic and the additional allowance for dependent parents and grandparents from \$22,000 and \$6,000 by 11% and 17%, to \$24,500 and \$7,000 respectively.
- o I propose to increase the single parent allowance by 13%, from \$40,000 to \$45,000.
- o I propose to increase the disabled dependant allowance by 36%, from \$11,000 to \$15,000.

74. I have two further concessions.

- o I propose to introduce a new allowance of \$24,500 for a taxpayer maintaining a brother or sister for whom no child allowance is being claimed, with an additional allowance of \$15,000 where the brother or sister is disabled. This concession will strengthen our family values.
- o I also want to respond to Members' calls for recognition of the changing nature of the economy and the need to upgrade skill levels. I propose to introduce a specific deduction to allow taxpayers to claim as a deductible item fees for training courses attended at approved institutions, up to a maximum of \$12,000 a year.

75. Taken together these improvements will reduce the tax burden for some 95% of salaries taxpayers. What will these proposed concessions mean in practice? Let me give you a few examples.

- o A single person with a monthly income of \$15,000, with two dependent parents living with him and a dependent brother or sister still receiving full-time education, will have his tax bill cut by over 98%. He will pay less than \$5 a month in tax.
- o The salaries tax bill for a single-parent family earning \$16,000 a month with one child and a dependent parent living together will be

reduced by 97% to less than \$2 a month.

- o The typical "sandwich-class" family of four with monthly earnings of \$25,000 will have its tax bill cut by some 43%. It will pay \$556 only a month in tax.

76. I estimate that these concessions will cost \$1.9 billion in 1996-97 and \$12.4 billion up to 1999-2000. Full details of the concessions are set out in the supplement to the printed version of this speech, together with further examples of their effects on different categories of taxpayers.

Estate Duty

77. Last year, we revised the rates of estate duty to offset the effect of inflation. This year, I propose to further increase the level below which no duty is payable from \$6 million to \$6.5 million. Above that level, I propose that estate duty be payable at 6% on estates between \$6.5 million and \$8 million; 12% for estates between \$8 million and \$9.5 million; and 18% on estates over \$9.5 million. The width of the two bands will thus be increased from \$1 million to \$1.5 million. The cost of this proposal will be some \$50 million in 1996-97 and \$240 million up to 1999-2000.

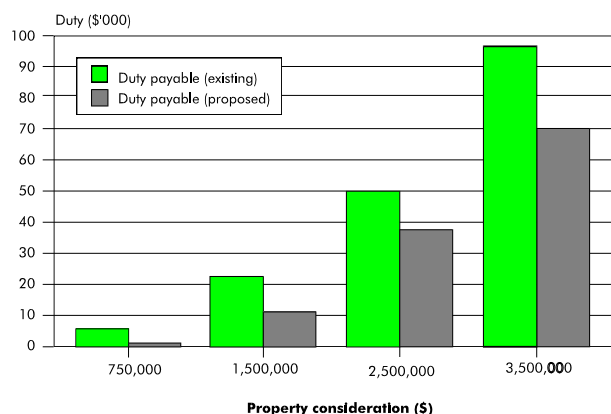
Stamp Duty on Property Transactions

78. Many Members have suggested that I should make various changes to reduce the impact of stamp duty on property transactions in order to benefit home-buyers. I have examined these ideas with some sympathy but concluded that they are not feasible. It is more practical to focus on reviewing the structure of stamp duty rates in order to relieve the burden on the home-buyer. Accordingly, I propose to reduce the impact of stamp duty in a manner which will directly benefit buyers of lower and medium-value flats with property values of up to \$3.5 million. This will be of particular assistance to buyers of Home Ownership Flats and Sandwich Class Housing Scheme properties. Let me explain the changes I propose, which will bring relief to home-buyers, particularly at the lower to middle end of the market.

- o The limit below which only the nominal fee of \$100 is charged will be raised from \$500,000 to \$750,000.

- o The rate of 0.75% will apply to properties with a value of \$750,000 to \$1.5 million.
- o The rate of 1.5% will apply to properties with a value of \$1.5 million to \$2.5 million.
- o The rate of 2% will apply to properties with a value of \$2.5 million to \$3.5 million.
- o The threshold at which the maximum rate of 2.75% begins to apply will be raised from \$3 million to \$3.5 million.

Stamp duty on selected properties before/after concessions



79. As a result of the proposed adjustments, the stamp duty paid on a typical \$1.5 million flat under a Home Ownership Scheme will be halved, from \$22,500 to \$11,250. I estimate that about 54 000 property transactions will benefit from the proposal each year. These concessions will cost \$550 million in 1996-97 and \$2.7 billion up to 1999-2000. Details of the new schedule of stamp duty rates are set out in the supplement to the printed version of this speech.

Motor Vehicle First Registration Tax

80. There are now over 40 000 private vehicles which are ten or more years old. Most of these vehicles run on leaded fuel and are not fitted with catalytic converters. They are a significant source of pollution. I propose to introduce a scheme to encourage owners to scrap their old vehicles. If the owner of a

private vehicle of 10 or more years old decides to scrap his old car and replace it with a new one, he may enjoy a reduction in First Registration Tax of 20% of the tax payable or \$30,000 whichever is the lower amount. This initiative is designed to help to improve air quality by reducing the number of old vehicles without increasing the total vehicle fleet. We have devised a number of measures to safeguard against abuse of the scheme. The scheme will only apply to private vehicles. Commercial vehicles seldom have an economic life exceeding 10 years, and, in any case, they pay a much lower First Registration Tax. We will review the effect of the proposed scheme after 12 months.

81. While still on vehicles, it has become apparent that some motor vehicle dealers have been manipulating their first registration tax liability. They artificially suppress the retail price of the standard motor vehicle and over-declare the value of tax exempted items like vehicle accessories and distributor's warranties. I intend to stop this abuse and ensure that all vehicle dealers can operate on a level playing field. I will introduce an amendment Bill into this Council within this Legislative Session so that we can set a reasonable ceiling value for these tax exempted items. The excess of the value of these items over the ceiling value will be subject to First Registration Tax.

Refurbishment Allowance for Hotels

82. Finally, I propose to adjust the taxation of refurbishment expenditure incurred by hotels. At present, such expenditure is subject to a commercial rebuilding allowance of just 2%, meaning that it can only be written-off over 50 years. I recognize that, for a hotel, refurbishments have only a limited life before the hotel has to be renovated again to maintain quality and standards. Our tourist industry needs good hotels. I propose the introduction of a specific allowance to enable hotels to deduct refurbishment expenditure over a five-year period using an annual 20% write-off. The cost of this proposal is estimated to be \$2 million in 1996-97 and \$100 million up to 1999-2000.

Implementation

83. The proposed increases in tobacco duty and fuel duty come into immediate effect under a Public Revenue Protection Order issued today. Under similar authority, my proposals on estate duty, stamp duty and air passenger departure tax will come into effect on 1 April this year. My proposals on salaries tax and

profits tax will take effect from the year of assessment starting on 1 April 1996, and my scrapping incentive to replace old private vehicles will be implemented as soon as the necessary legislative and administrative measures have been put in place.

Overall Financial Position 1996-97

84. After taking account of the revenue and spending proposals I am making today, including those to be mentioned later in my speech, I expect that we will see a surplus in 1996-97 of \$1.6 billion. This is lower than my predecessor's forecast in his 1995 Budget. Nevertheless, as he predicted, we will have drawn on our reserves only in 1995-96 when our investment in the Airport Core Programme has been at a peak. In 1996-97, we will see a return to a surplus, albeit a very modest one.

Medium Range Forecast

85. I have published my Medium Range Forecast in Appendix A to the printed version of this speech. This is our forecast of revenue and expenditure over the next four years. I must emphasize that this is a forecast only. It has been prepared to reassure ourselves that the proposals which I have put forward today are affordable, both in the context of the next financial year and over the medium term. It does not impose any commitment on the future Special Administrative Region Government (SARG).

86. After taking account of the revenue proposals which I have announced this afternoon, I am making the following forecasts.

- o First, as I have already mentioned, we will see a return to a small surplus in 1996-97.
- o Second, I envisage that the future SARG will enjoy substantial surpluses throughout the remainder of the forecast period. It will benefit from the retention of the full proceeds from land premia and the collection of rents from the extension of the New Territories leases.

87. Our fiscal reserves on 31 March 1997, three months before the change of

sovereignty, are expected to stand at a healthy \$150 billion. By the end of the forecast period in March 2000, total reserves including the SARG Land Fund are forecast to be in excess of \$365 billion.

88. In presenting these figures, I must point out that one of the probable calls on these funds will be the need for capital injections into the KCRC and perhaps even the MTRC towards the cost of the priority railway development projects. At the present time, the precise cost, timing and mode of financing of these projects are uncertain. In the circumstances, I have made no allowance for such payments in my Medium Range Forecast.

89. The economic growth I am forecasting for the period up to March 2000, and the corresponding growth in our expenditure, will enable us to go on enjoying the fruits of our success. As I have explained earlier, these increases in our real expenditure and the benefits that they bring, can and will be funded by the Government's share of the wealth that our successful economy will generate.

HONG KONG FUTURE

90. Traditionally, budget speeches usually come to an end at this point. I want to break with this tradition because, in the third part of my speech this afternoon, I want to address an issue which is very much on all our minds. I want to talk about the future; about our prospects as a community as we prepare ourselves for the change of sovereignty and for the next century. I shall now describe our economic prospects and outline proposals for creating a more business-friendly environment. In particular, I shall discuss how the Government intends to support our high value-added, technology-based manufacturing sector and a world-class services sector.

Economic Prospects

91. I start with our economic prospects. After all, it is our economic success which makes everything else possible; everything we hope for as a community; everything we want to achieve.

East Asia

92. I am truly enthusiastic about what has been called the "Asian Miracle".

How could we, as part of Asia, feel anything other than pride at the spectacular success of our region over the past two decades.

- o During this period, literally hundreds of millions of people in East Asia have been lifted out of poverty and subsistence by rapid economic expansion. The economic growth rate for the region over the past five years has been twice as high as the OECD average.
- o If our recent past has been impressive, our future promises to be spectacular. East Asian growth rates are set to out-perform the rest of the world well into the next century. Even by the year 2000 in East Asia, average GDP per head is expected to reach US\$5,200, compared with only US\$2,500 in 1990.

What this means for Hong Kong is that, increasingly, our economic growth will be derived from regional trade in goods and services. Our traditional markets will remain important to us. But it is East Asia that will provide the fresh dynamism for our economy.

Economic Developments in China

93. If we can take pride as part of the region in East Asia's progress, Hong Kong can take even greater pride in the economic progress made by China. China will continue to offer the prospect of high and sustainable rates of growth well into the next century. We, in Hong Kong, are part of China's past success and its future prospects. This year is the start of China's Ninth Five-Year Plan. This envisages annual real growth rates for the economy of between 8% and 9% a year. The Plan acknowledges Hong Kong's special status, which is a welcome restatement of the Chinese Government's commitment to the Joint Declaration and Basic Law. The Plan also provides encouraging indications of the areas in which Hong Kong can do most to contribute to China's economic development. In making its contribution, Hong Kong will also benefit substantially.

A Modern Business Environment

94. So East Asia in general and China in particular are set to continue their momentous growth. We in Hong Kong stand to benefit from this expansion. What our neighbours need from us is our expertise in organizing production, in marketing and design, in technology, accounting and law. They also want our services particularly those of financial markets. We have to go on developing our infrastructure of skills and creating the environment in which a skills-based economy can flourish. In essence, this means getting right the blend of commercial freedom and regulation which encourages rather than stifles enterprise and innovation.

Protecting IPR

95. The international business community is particularly concerned about the protection of intellectual property rights (IPR). The Government shares these concerns. Our goal is to develop a modern and internationally-accepted framework to protect such rights. We will update the legislation on the protection of trade marks, patents, copyright and registered designs to bring it into line with prevailing international standards. The Secretary for Trade and Industry will introduce draft legislation to this effect by the end of 1996.

96. We will continue to step up enforcement against copyright piracy and trade marks counterfeiting. We are setting up a new 24-strong team in the Intellectual Property Investigation Bureau of the Customs and Excise Department to strengthen intelligence-gathering, border operations and co-operation to hit hard at piracy and counterfeiting.

A Business-Friendly Government

97. Over the past five years, there has been a quiet revolution in the way we in the Government have approached our work. We have increasingly recognized that our role is to "Serve the Community" and that this concept must be central to all our policies and procedures. I believe that we can do more to help the business community in generating the wealth on which our future prosperity depends. We should set ourselves the task of making the Government, as far as possible, user-friendly for business.

Review of Existing Government Procedures and Practices

98. As a first step, I will be asking all the Policy Branches and their Departments which directly serve the business community to carry out a high-level review of their current policies and procedures. The goal will be to create an environment which is positively business-friendly. This review will not be done in a vacuum. I expect Policy Branches and Departments to consult extensively with their customers and partners in the business world. They will be expected to identify opportunities:

- o to streamline existing services through new technology and process re-engineering;
- o to eliminate any over-regulation and unnecessary bureaucracy;
- o to transfer services to the business sector where market conditions make this possible; and
- o to introduce new services which meet the needs of the business sector.

99. We must not confine our efforts to those parts of the Government which are directly involved in serving the business community. I believe the whole of the Government has a duty to provide a business-friendly environment. So I will be asking all Policy Branches and Departments to make their contributions. In particular, and in response to concerns expressed by Members in recent debates in this Council, they will be asked:

- o to review the processes and costs associated with the provision of services for which the Government levies a fee or charge; and
- o to use the improvements identified by these reviews as the basis for specific efficiency plans.

100. I am determined that Hong Kong should have a government which is truly "business-friendly". Resources will be provided to make sure that these initiatives move forward rapidly and effectively. The Secretary for the Treasury

will chair a task force serviced by the Efficiency Unit to allocate these resources to priority areas and to ensure that we get results at an early date.

Tax Concessions

101. As a first contribution to this new programme, I propose to offer three tax concessions which should benefit business firms directly.

- o First, I propose to halve the *ad valorem* fees on company registration from the current level of 0.6% to 0.3%.
- o Second, I propose to double the maximum average monthly turnover levels below which businesses are exempt from payment of business registration fees from \$15,000 to \$30,000, for the sales of goods.
- o Third, where the profits of the business are mainly derived from the sale of services, I propose to raise the exemption level by 150%, from \$4,000 to \$10,000.

102. I believe these concessions will make a direct contribution to reducing the cost of capital, as well as the operating costs of small businesses. These two measures will cost \$190 million in 1996-97 and \$930 million up to 1999-2000. They will come into effect on 1 April this year.

A World-Class Infrastructure

103. To take the fullest advantage of the special opportunities which rapid Asian and Chinese economic growth will bring, Hong Kong needs a world-class infrastructure. This means that we must equip ourselves with the skills and technological know-how to compete in the international market place. But we must also develop our physical infrastructure — the railways, the port, the airport and the support services. Investments in our skills and our physical infrastructure make a very real contribution to our competitiveness.

Physical Infrastructure

104. The Government accepts that it must continue to improve Hong Kong's physical infrastructure to sustain trade and economic growth.

- o We are moving forward with planning for the three rail links recommended in the Railway Development Strategy.
- o The Government will allocate \$15 million in 1996-97 to provide additional staff resources to the Transport Branch and related departments to handle the appraisal and planning work involved.
- o Nearly 90% of our total trade goes through the port, and demand is forecast to rise steadily. We must continue building more container terminals to meet this higher demand. We shall need to have in place not only CT9 but also CT10 and the first berths of CT11 before the century is out.
- o We must ensure that our airport is able to handle efficiently the increasing flow of passengers and goods in and out of Hong Kong by air. We are on track to achieve the target opening date of April 1998 for the new airport at Chek Lap Kok. The Airport Authority, in conjunction with the Government, is looking further into the future and examining air traffic forecasts to determine the timing for developing the second runway at Chek Lap Kok.

Telecommunications

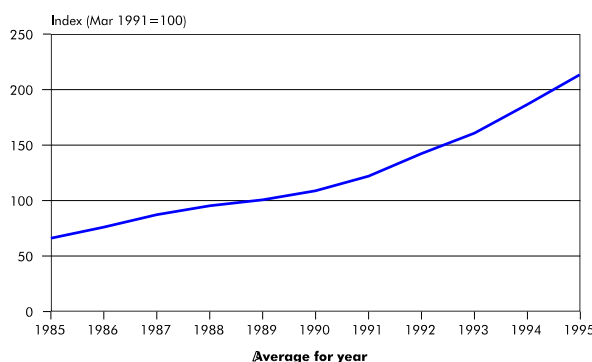
105. These investments in our physical infrastructure, once completed, will make a contribution to every service and product that we sell. The same is true of our telecommunications and other support services. Our fully digitized telephone system and comprehensive optical fibre network are among the most advanced in the world. Our penetration rates for mobile phone and paging services are among the highest in the world. Competition brought about through the deregulation of local fixed network services in July last year will bring investment of more than \$32 billion over the next 10 years from new operators, and they will improve still further our basic telephone network. We shall continue to discuss with the Chinese side our proposal to license new mobile the communication services to relieve congestion in the existing networks. We need to increase our capacity to meet the strong local demand for mobile phone services. This will ensure that Hong Kong continues to lead the region in having the best and most advanced telecommunications services. The

Government will continue to pursue a pro-competition policy in telecommunications which has already reduced the real cost of domestic line rentals by 32% over the last 10 years and of international calls by up to 75%.

Human Infrastructure

106. However, while we have achieved remarkable progress in upgrading the hardware of our infrastructure, our airport, roads and the port, we must not forget the key software package which makes the infrastructure work. I mean the people of Hong Kong. The results of our earlier investments are paying dividends now. Productivity per manufacturing worker has increased by 227% over the last decade. We must go on investing in education and in skills training. The Government and the private sector must work together. For its part, the Government is reviewing the New Technology Training Scheme under which employers can obtain matching grants for training their employees in new technology in local or overseas institutions. We are considering a number of proposals, including raising the levels of grants and widening the eligibility for application. The object is to allow more people to receive training and to widen the range and level of skills to be covered by the Scheme.

Labour productivity in manufacturing



Language Skills

107. Hong Kong will not be able to maintain its position as an international centre for trade and finance if it allows its language skills to slip. We need English for much of our international trade and financial services. We need Putonghua for our Chinese future. Education Commission Report No. 6 (ECR6) has made a convincing case on the urgent need to improve our language skills.

108. We need to make an early start on some of the recommendations in ECR6 dealing with English. I have earmarked funds in the Draft Estimates of \$14.2 million, rising to \$29.1 million on a full-year basis. This money will enable the recruitment of some 100 native English speaking teachers for our schools and the organisation of intensive English language courses for an additional 11 300 Secondary Six and Seven students. These will bring their English proficiency up to the level required for entry to tertiary institutions.

109. ECR6 also makes important recommendations on Putonghua education. I have included a provision of \$10 million annually in recurrent expenditure to enable the introduction of a new Putonghua curriculum in September 1998. This will cover all levels from Primary One to Secondary Five in our schools. This new curriculum will prepare students for the new examination in that subject in the HKCEE in the year 2000. In the interim and starting in 1996, the Education Department will organize Putonghua summer courses for our students with some \$30 million voted for the project by this Council last November. In parallel, the Language Fund has helped to organize similar projects both for students and people in full-time employment. Over the past two years, 15 000 individuals have benefited from such courses. We will provide some of these community projects in the future. We shall be enhancing in-service teacher training in Putonghua, starting in 1996.

Manufacturing

110. As we make our plans for the future, we have to support our manufacturing sector in its drive to compete in the high-value added and high-technology market place of the next century. Our manufacturers have already relocated to Southern China the lower-skilled, lower value-added production operations. The priority for manufacturing in the future must be to move further up-market. Manufacturers, of course, already recognize this and are devoting more attention to applied research and development, product design, prototypes, quality control and the sourcing of materials and components. These high-value processes are essentially creative in nature and technology-based. We must also take full advantage of our strategic location. China is much more than a low-cost production base. It contains a large pool of technological and research expertise

which can make a major contribution to our own development.

111. The Government has a part to play in this. Our immediate aim is to encourage manufacturers to get into the business of applied research and development with enthusiasm. The Applied Research Council already operates two funding schemes which, in effect, are a form of venture capital fund. More than a dozen projects are being supported through loans or equity investments for individual firms.

112. We should, of course, do more to secure an advanced technology base. There are several potential projects which we will be taking forward to do exactly that.

- o First, a science park. This will bring together local and international technology-based businesses. It will provide the right environment for exploiting the enormous potential from the convergence of technologies. We will decide on the most appropriate site quickly and put the institutional arrangements in place.
- o Second, the Government has accepted the case for developing a second industrial technology centre. The first established in 1993 has been so successful that it cannot meet in full the strong market demand for its facilities. We will identify a suitable site quickly to enable detailed planning to proceed.
- o Third, the Government has also accepted the case for developing a fourth industrial estate. Detailed planning is about to begin.
- o Fourth, the Government has offered to help finance a private sector initiative to study our long-term industrial development prospects and identify promising new industries for Hong Kong.

As I have said, the Government is moving forward on these initiatives. But I want to emphasize that industry must make the best case for these initiatives. Each of them is intended to support manufacturers in the market place, and they

are very much in line with our established policy of minimizing government intervention and maximizing its support for business.

Services

113. As with manufacturing, so with services. Markets and enterprise have already made Hong Kong a regional and global service centre in the premier league of service providers. The challenge now is to compete and to rise within the premier league. Standing still is simply not an option, and the Government will play its part in supporting the market momentum already created by the private sector.

A Task Force on Services Promotion

114. My predecessor, Sir Hamish MACLEOD, promised in his last Budget speech that the Government would look for ways in which it could contribute to the further development of Hong Kong as a world-class service centre. With his full backing, last August I established a Task Force on Services Promotion. I shall be reporting on this work in a moment. Before doing so, I want to emphasize a point central to our work. Our aim has been to identify ways which we in the Government can facilitate the success of our services sector. Our aim has not been, and never will be, to direct development, to "pick winners" or to second-guess markets and entrepreneurs. To ensure that the Task Force is kept close to business realities, I have set up an Ad Hoc Group with prominent business leaders, professionals and academics to provide us with their input. And to expand the range of outside views and contributions, a symposium will be organized jointly with the major trade and industrial associations on 12 March to discuss specific issues confronting the services sector.

115. Among the Budget documents published today is the first concrete outcome from the Task Force's work. This new document, "The Services Sector: Support and Promotion", sets out:

- o an eight-point "Framework for Action". This describes the strategic thrust of the Government's support for this sector; and
- o 14 individual "Action Agendas". They describe the current performance of key service sectors. They state the Government's current commitments to them and outline the directions for future

policy. They also set out the principal initiatives taken by the private sector and the major challenges that lie ahead.

116. Let me give Members just a few examples of what the "Framework for Action" and the individual "Action Agendas" are proposing.

- o We must do more to promote our trade in services. The Trade Development Council has already done an outstanding job in promoting our visible trade. It has agreed to expand its work in promoting trade in services, particularly the export of services. This will complement the work of the Trade Department and our 10 economic and trade offices overseas in gaining market access under the multilateral trading regime for our service exporters.
- o We must do more to promote inward investment in the services sector. The Industry Department is already very successful in attracting inward investment for the manufacturing sector. It will in future undertake a similar role for the services sector.
- o We must do more to maintain Hong Kong's position as the premier tourist destination in the region. The Hong Kong Tourist Association has recently formulated a visitor and tourism strategy to help us achieve that in the increasingly competitive environment in which we operate. We will continue to give it support in this.
- o The Export Credit Insurance Corporation has developed a range of facilities to support the services sector in its drive for new markets abroad. It will bring these vital services to the attention of the whole of the sector which has, so far, not made the fullest use of the Corporation's facilities.
- o We must do more to support the small and medium enterprises employing less than 50 workers which make up the bulk of the services sector. We shall work with the private sector to formulate new initiatives to enhance productivity, upgrade management systems, identify financing options and make market information more accessible.

117. We need to be very cautious in committing public funds to support what are essentially commercial projects. There can be no question of feather-bedding business or bailing out failed enterprises. But there is a good case for providing financial support to specific projects which could make a general contribution to the competitiveness of our services sector. We already have an Industrial Support Fund, and I believe the time has come to set up a parallel Services Support Fund with an initial allocation of \$50 million. There is also a good case for providing additional funds to the Hong Kong Tourist Association to help it implement the visitor and tourist strategy. I therefore propose to make a one-off grant of \$50 million to the Association to set up a Tourism Development Fund for the purpose.

A Mortgage Corporation

118. Improving the efficiency and reducing the risks in financial intermediation is one of our core strategies in promoting the financial services sector. In the area of housing finance, there is a strong case for establishing a mortgage corporation which will offer the following benefits:

- o it will reduce the concentration and liquidity risks of mortgage lending by banks;
- o it will increase the availability of mortgage funds to home buyers and widen their choice of mortgage products; and
- o it will issue high quality securities which help to improve the depth and the liquidity of the local debt market.

119. The establishment of a mortgage corporation in Hong Kong will be no simple task. However, the benefits of such an institution are large enough to warrant further, detailed study. We have engaged the Federal National Mortgage Association, the United States' largest and most profitable mortgage corporation, to assist us in studying the business and technical issues involved. The Hong Kong Monetary Authority will then prepare a detailed proposal for consultation with the banking community, capital market participants and other relevant parties. Subject to the outcome of the consultation, I would hope that preparatory work for the actual setting up of such a corporation could commence as soon as possible.

Revenue Measures for Financial Services

120. Finally, I believe there is room for two more tax concessions to encourage the further development of our financial services.

- o First, I propose that the interest income and trading profits derived from certain debt instruments be subject to a concessionary tax rate equivalent to 50% of the normal profits tax rate. Instruments qualifying for this concession must be lodged with and cleared through the Hong Kong Monetary Authority, carry a suitable rating, have an original maturity of five years or more and a minimum denomination of \$500,000. This concession should help to attract overseas issuers to Hong Kong, enlarge our debt market and enhance our competitiveness *vis-a-vis* other financial centres in the region.
- o Second, I propose to waive stamp duty for market makers on stock transactions for the purpose of hedging options transactions. This will help to increase trading volume, improve market liquidity and the quality of risk management, and reduce the underlying price volatility of stocks.

I estimate that these two measures will reduce revenue by \$30 million in 1996-97 and \$135 million up to 1999-2000. They will come into effect as soon as the necessary legislation has been put in place.

121. I also intend to amend the Inland Revenue Ordinance to reflect existing practice. I will

- o include a specific exemption for certain income derived from *bona fide* offshore funds managed in Hong Kong; and
- o exclude stock brokers from potential profits tax liability in respect of share trading profits derived by non-resident investors for whom they act as agents.

Promoting Services

122. This afternoon, I have outlined a package of measures designed not simply to make the Government more business-friendly but to tackle key areas where we can contribute directly to business efficiency. Members will find further details in the new Budget document to which I have already referred. I want to emphasize that this is not the end of our work. This document, and the Task Force's deliberations, should be taken as the first steps only, a first step towards developing a policy support for the services sector, without neglecting manufacturing, well into the next century.

CONSULTATIONS WITH CHINA

123. Before concluding, I want to say something about consultations with the Chinese side. Last March, my predecessor outlined a four-stage programme for the purpose. In essence, this programme involves a steady intensification of work from a general background briefing in stage one, to the specific subject-related seminars in stage two, the detailed introduction of the budgetary cycle in stage three, and full consultation in the preparation of the 1997-98 Budget in stage four. An Expert Group has since been set up under the Sino-British Joint Liaison Group to carry this forward. This Expert Group has gone through the first three stages of the programme of work in a pragmatic and co-operative manner. We expect this to continue in the final stage of the programme. As previously envisaged, we will strengthen co-operation with the Chinese side in the preparation of the Budget for 1997-98 to ensure a smooth transition.

124. I have outlined, this afternoon, a bold range of proposals, particularly for developing the manufacturing and service industries. In the near future, we shall consider these proposals in greater detail. In doing so, the views of Members of this Council and of the community as a whole will be invaluable. But obviously many of the proposals have financial implications beyond 1997. They will have to be considered and, if appropriate, carried forward by the future Hong Kong Special Administrative Region Government. As our consideration progresses, I will ask the Secretary for the Treasury to discuss those proposals having expenditure implications for the 1997-98 Budget in the Expert Group. I

also stand ready to explain these proposals personally to the Chief Executive (Designate) as soon as he or she is appointed. I shall deliver the rest of my speech in Cantonese.

總結

125. 主席先生，今天下午我闡述了本港經濟如何從過去的發展中穩健成長，日趨壯旺，並且具備潛能繼續在下一世紀蓬勃發展。我特別指出，一個以方便營商為目標的政府必須與以市場為尊的商界攜手合作，建立夥伴關係。這種夥伴關係，是建基於政府一貫對商界作最少的干預，以及最大的支援的既定方針。

126. 我提過，對於部分社會人士未能分享經濟增長所帶來的繁榮成果，我和本局議員一樣，感到深切關注。我亦盡我所能，對於這方面的問題，加以回應和處理。我已提供撥款，推行去年十月總督在施政報告中所提出的各項社會服務承諾。此外，我今天更建議進一步改善綜援計劃。為了實施這些改善措施，政府會在總督去年十月所承諾的三億元之外，另再增加撥款二億元。

- o 由四月一日起，因健康欠佳而無法工作的成年人、單親家長或需要照顧家庭的人士，每月可領取的綜援標準金額將進一步增加；增加之後，單身人士每月可領取的金額增至 1,935 元，而與家人同住的人士，每月可領取的金額將增至 1,760 元；
- o 失業但積極求職的成年人，每月可領取的標準金額進一步增加；增加之後，單身人士每月可領取的金額增至 1,615 元，而與家人同住的人士則增至 1,440 元；
- o 傷殘程度達 50%的成年人，若與家人同住，每月可領取的新訂標準援助金額將增至 1,760 元；
- o 老人每年可獲 320 元的新設特別津貼，以補助他們參加社交及康樂活動的開支，另每年在農曆新年時可獲 200 元的津貼；
- o 選擇到中國居住的老人仍可繼續領取綜援標準金及長期補助金。

此外，我亦建議大幅增加撥款，以培養技術知識和訓練人才，提高本港的競爭力。

- o 撥款 3 億元予僱員再培訓局，以擴大本地工人的再培訓計劃。
 - o 每年撥款 3,900 萬元，盡早實行教育統籌委員會第六號報告書內關於中英語文訓練的建議。
 - o 撥款 5,000 萬元成立服務業支援資助計劃，以推行加強本港服務業競爭力的計劃。
-
- o 撥款 5,000 萬元成立旅遊業發展基金，以維持香港作為主要旅遊地點的地位。

這些新措施，絕非我個人的功勞，其中大部分是根據本局議員的建議，集思廣益而制定的。

127. 我又重申政府在管理公共財政時，將會繼續恪守各項理財原則，而其中以“量入為出”這原則最為重要。我決意維持穩健的財政儲備，並堅決捍衛現時港元與美元的聯繫匯率。

128. 在新訂稅收措施方面，我建議把賽馬博彩稅提高半個百分點，不過，新增的稅款將由英皇御准香港賽馬會從現時收取的佣金中悉數承擔。我亦把飛機乘客離境稅回復至一九八三年時的 100 元水平。我決定不更改利得稅稅率，而煙草稅及碳氫油稅亦只按通脹調整。薪俸稅方面，我提出了多項大幅減稅措施。例如，

- o 把基本免稅額提高至 9 萬元，已婚人士免稅額則提高至 18 萬元；免稅額增幅達 14%；
- o 把供養子女免稅額增加 11%至 14%；
- o 把供養父母或祖父母基本免稅額增加 11%，額外免稅額則增加 17%；

- o 把單親家長免稅額提高 13%，由 4 萬元增至 45,000 元；
- o 把傷殘受養人免稅額提高 36%，由 11,000 元增至 15,000 元；
- o 增設一項 24,500 元的供養兄弟或姊妹免稅額，倘若該名受供養的兄弟或姊妹為傷殘人士，則另外給予 15,000 元額外免稅額；及
- o 為在認可院校修讀培訓課程的人士，增設一項每年最高達 12,000 元的特定扣稅項目。

同樣，這些措施大部分反映了本局議員在諮詢期間向我提出的建議。

129. 我亦已在遺產稅及置業人士須繳納的印花稅方面，作出具體的寬減建議。我又提出一項可支持環境保護的減稅建議，就是倘若私家車主放棄一輛使用含鉛汽油、且並無安裝催化轉換器，而車齡達十年或以上的舊車，則車主在換購新私家車時所須繳納的汽車首次登記稅，可獲高至 3 萬元的寬減。對於酒店業，我作出建議，使酒店可以把用於翻新工程的開支每年註銷 20%。

130. 我的目標，是要實現社會人士的期望，使香港繼續維持亞太區主要國際貿易、製造業及服務業中心的地位。為了達到這個目標，我制定了一套積極向前的策略。此外，我亦建議把公司註冊從價收費率減低一半，並將售賣貨品商號的商業登記費豁免水平提高 100%，至於從事服務銷售的商號，商業登記費的豁免水平則提高 150%。

131. 在製造業方面，政府已同意有需要設立一個科學園，並會着手進行最後選址的工作，及訂定各項籌建安排。我們亦同意有需要發展第二間工業科技中心，並即將展開第四個工業邨的規劃工作。

132. 在服務業方面，專責小組已初步制定了一套新措施。新措施的詳細內容，載於財政預算案演辭印刷本的獨立附件。新措施之中，包括賦予貿易發展局一項新任務，及擴大工業署和出口信用保險局的工作範圍。此外，我們現正研究成立按揭證券公司所能帶來的好處。我們又建議，為金融服務業提供特別鼓勵措施，包括將某些債務工具的利得稅減低 50%，及豁免市場莊家

對沖交易的印花稅。

133. 各位議員，當我提出這份財政預算案時，我把目標放在確保我們的經濟成就得以繼往開來，延續到下一世紀，而為了達到這個目標，我們致力協助香港市民掌握適當的技能，從而使他們可以不斷改善生活質素，為未來創造繁榮。而我們未來的計劃，必須惠及社會上每一個人。我們的經濟成就，使我們可以為有需要的人提供照顧、支援和保障。我們會有能力：

- o 採取措施，例如透過提供更多家務助理服務、社區中心、住宿照顧和經濟援助，協助老人積極和充實地安享晚年，並受到應有尊重；
- o 進一步改善健康護理設施，並提供一個良好的環境，讓每位市民更能保障本身健康；及
- o 推行一套綜合教育制度，讓不同年齡的學生充分發展潛能，無論在學術、專業和職業訓練方面均能達致國際認可標準，以應付本港經濟不斷轉變的需要。

134. 這才是實質增長的真正意義。經濟增長所帶來的實在得益，必須用於改善民生，改善市民健康、生活質素、教育水平和職業前途。維持這樣的實質增長，一直以來都是我們的首要目標、共同理想。我們的生活水平日益提高，為市民提供的服務亦不斷改善，所需的開支，都會由政府承擔，而這些資源會來自本港經濟發展所帶來的新增財富中政府所分享的部分。我們絕不會增加這部分的比重，與私營機構競逐資源，因為只要香港持續繁榮興旺，我們根本就不需要這樣做。箇中道理，就是如此簡單。

135. 主席先生，我們香港市民必須共同努力，拓展經濟，改善民生，建設美好將來。我最感欣慰的是，我們都清楚大家的共同目標，亦知道如何齊心一致實現這個目標。我謹提議押後辯論這項議案。

PRESIDENT: I now propose the question to you and that is: That the Appropriation Bill 1996 be read the Second time. And in accordance with Standing Order 54(2), the debate on the Second Reading of the Appropriation

Bill 1996 is now adjourned. Arrangements have been made for the Finance Committee to examine the draft Estimates in the meantime. I now suspend the sitting for one hour.

4.25 pm

Sitting adjourned.

5.25 pm

Council then resumed.

MEMBER'S MOTIONS

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW *to move the following motion:*

"That the Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1996, published as Legal Notice No. 40 of 1996 and laid on the table of the Legislative Council on 24 January 1996, be amended in section 2 by repealing paragraphs (a) to (k)."

MRS SELINA CHOW: Mr President, I move the first motion standing in my name on the Order Paper. The motion seeks to amend the Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1996.

A Subcommittee, chaired by me, was formed on 26 January 1996 to study eight items of subsidiary legislation (including this one) tabled in the Legislative Council on 24 January 1996. On 9 February 1996, it took on the study of another item of subsidiary legislation tabled in the Legislative Council on 7

February 1996. All items involve fee increases. The Subcommittee, with a membership of 15, has held four meetings, including three with the Administration.

Some Members alleged that the "Star" Ferry has reneged on its promise made in 1994 not to seek another fare increase in 1995. They are dissatisfied with its explanation on the significant discrepancy between the profit and loss forecasts made in 1994 and 1995. The "Star" Ferry argues that the 1994 undertaking was made on the condition that its profit for 1995 would turn out to be more or less the same as forecast and that is approximately HK\$10 million (with maximum of 10% variance). In actual fact, the Company suffered a loss in 1995. The discrepancy in forecasts is mainly due, as was explained, to decline in patronage and increasing operating costs arising from higher than expected vessel repair and pier expenses.

After detailed study of the "Star" Ferry's arguments and its Profit and Loss Account presented to the Subcommittee in confidence, Members held divided views on its proposed fare increase of 18.9%. Mr WONG Wai-yin, representing the Democratic Party's view, opposed the increase, advocating the granting of pier development rights to the Company by the Government to subsidize its operation. Dr LAW Cheung-kwok supported neither the fare increase nor a pier development package for the "Star" Ferry. He was of the opinion that if the Company discontinued the ferry service, it should be taken over by the Administration or the Government. Miss CHAN Yuen-han, on behalf of the Democratic Alliance for the Betterment of Hong Kong (DAB), reserved their position, because she found it difficult to form a judgment there and then on the basis of the figures provided by the "Star" Ferry. Mrs Miriam LAU, on behalf of the Liberal Party, supported the proposed fare increase on the grounds that pending a long-term strategy, the "Star" Ferry has to survive and the proposed increase is reasonable. In conclusion, the Subcommittee decided by a majority vote that the proposed fare increase in section 2(a) to (k) should be repealed.

In section 2(1) of the Order, a monthly ticket for the route between Hung Hom and Edinburgh Place at the rate of \$125 is proposed. Members of the Democratic Party on the Subcommittee indicated their support to the introduction of a monthly ticket for this route, but at a reduced rate. A motion will be moved separately by Mr WONG Wai-yin to that effect.

Mr President, as I was elected chairman of the Subcommittee scrutinizing this Order, it falls on me to move the resolution to repeal the Order, which reflects the majority decision of the Subcommittee. However, as I entirely agree with Mrs Miriam LAU's opinion and decision to support the Order, I shall be voting against it. I rely on Mrs LAU to explain the reasons for the Liberal Party's support for the fare increase. I hope the wisdom of the minority in the Subcommittee will enjoy the support of the majority in this Council here and now. Star Ferry provides the cheapest cross-harbour service. It is not a monopoly. It is making a loss. If the Legislative Council refuses its request to raise fares, we send a worrying signal to businesses that we fail to balance the interests between consumers and business operators, and that we do not ensure fairness in the rules of the game of capitalism.

Mr President, while calling on my colleagues to oppose this motion, I beg to move.

Question on the motion proposed.

PRESIDENT: Mr WONG Wai-yin has also given notice to move a motion under the Interpretation and General Clauses Ordinance to amend the same order, that is, the Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1996. Mr WONG's motion has been printed on the Order Paper. As the contents of Mrs CHOW's and Mr WONG's motions relate to the same subject, I propose to have them debated together in a joint debate.

The two motions shall now be debated together in a joint debate. Members can now speak on either or both motions. At the end of the debate, we will vote on Mrs Selina CHOW's motion first. Thereafter, Mr WONG Wai-yin will be called upon to move his motion, but the question on Mr WONG's motion will be put without further debate.

黃偉賢議員致辭：主席先生，天星小輪歷史悠久，一直以較低廉的收費為香港市民提供過海渡輪的服務，但面對班次頻密的地鐵和過海隧道巴士的激烈競爭，縱然收費低廉，天星小輪的競爭能力仍然大大被削弱，令兩條主要的航線，即中環至尖沙咀及中環至紅磡的乘客量逐年下降。為了維持小輪公司的正常營運，近年天星小輪均須提出大幅度的船費加幅才能達至收支平

衡。在九三及九四年底，天星小輪便分別提高船費22.9%和13.7%，而今年，即去年年底，則提出申請增加船費18.9%。

天星小輪指出，如果今年不能加價，估計由九六年開始公司便會出現虧損。有些議員或政黨會認為，對於天星小輪這一間私營機構，在其業務虧損的情況下如果仍然不批准其加價，似乎很殘忍和不合理。但民主黨的看法卻有所不同，我們認為在衡量是否支持公共交通工具加價時，除了要關注到公司的業務有否出現虧損外，量重要是必須了解到業務虧損的主要原因，然後對症下藥。不斷採取一些治標不治本的辦法是短視的做法，對解決問題根本無補於事。

天星小輪業務出現虧損，事實上可歸咎於公司未能有效地控制經營成本和業務不斷萎縮這兩個原因。

天星小輪九四年底向立法局申請加價時，曾向我們呈交了公司對未來數年營運情況的估計數據。當時該公司表示，如果九四年十二月能成功增加票價13.7%，估計在九五及九六年分別可賺取1,030萬元及850萬元的利潤。按照天星小輪對九五及九六年利潤的預測，理應在九七年前也不需加價，而當時天星小輪亦承諾在九五年內不會再申請加價。但如今承諾落空了，在九五年十二月，我們又再次收到天星小輪申請提高票價18.9%的申請。在核對今次文件內有關的數據時，我們卻發現天星小輪在九五年的總收入是9,050萬元，預計九六年的總收入則接近9,200萬元，與九四年底加價時所提出的數據預測九五及九六年的總收入大致相約，即九四年天星小輪提出加價時，預測的利潤與現在所得的差不多，即達到它所預計獲得的利潤。但今次小輪公司卻指出，即根據小輪公司在九五年十二月十四日給我們的文件所表示，小輪公司當時未經核數的計算，九五年會有33,000元的輕微利潤，預計九六年將會虧損七百六十多萬元。再仔細看，原來天星小輪在九五年的實際經營成本比公司九四年底提出加價時所作預測的多了一千多萬元。預測與實際經營成本開支的偏差相差竟達一千多萬元，實在叫人吃驚，也是極之不合理的。

天星小輪今年要加價18.9%，事實上是為了彌補經營成本的大幅上升。如果九六年小輪公司的經營成本又大幅超出預算，為了令公司可以平衡收支而不會出現損虧，今年批准天星小輪加價的議員，明年是否又會接受小輪公司提出更大幅度的加價申請呢？

再者，面對其他交通工具的競爭，天星小輪在渡輪服務方面的發展必然是很有限的，而民主黨絕對不會支持透過不斷加價來維持渡輪服務正常營運的做法。事實上，天星小輪亦清楚表明，即使今年立法局批准它加價18.9%，為了讓小輪公司在九七年至二零零零年也能夠獲得平均7%的合理回報率，公司已估計在九七、九八、九九及二零零零年亦要分別將票價調高32%、14%、79%及9%。不斷提高收費根本就只是一個治標不治本的辦法，對於乘客和天星小輪的發展絲毫沒有益處。

如果小輪公司沒有任何新的發展方向和策略，服務的質素也沒有大的改善，反而船費繼續不斷大幅度增加，最後亦只會令乘客量進一步下降，進一步流失，那時小輪公司的經營更困難。民主黨認為政府應該盡快全面檢討香港的渡輪服務及制訂長遠的渡輪政策。如果當局認為天星小輪仍有生存的價值，就必須想辦法去面對渡輪服務不斷萎縮的問題。我們建議政府仿效對油蔴地小輪的做法，考慮給予天星小輪碼頭上蓋物業的發展權，讓天星小輪也可以將發展物業所得的利潤注資在渡輪服務上，減少其虧損，並能穩定票價，改善服務。

天星小輪今年提出18.9%的加幅，完全是因為經營成本大幅度超出其原來預算所致。天星小輪未能有效控制經營成本是公司本身的錯誤，由此而引致的損失絕對不應該由乘客承擔。再者，我們反對以不斷提高船費來維持天星小輪正常營運這做法。民主黨希望政府和小輪公司積極並盡快研究解決渡輪服務不斷萎縮的對策。因此，民主黨決定否決天星小輪今年18.9%的加價申請。

主席先生，在今次申請加價的同時，天星小輪新增了由愛丁堡廣場至紅磡線的月票服務，票價為125元。由於125元是根據由愛丁堡廣場至紅磡線上層成人單程票價的新收費2.5元計算，為了配合民主黨要求凍結天星小輪各航線服務的議案，本人提出修正案，將該項新增的月票服務收費修訂。根據現行愛丁堡廣場至紅磡線的上層成人單程票價二元計算，該航線的月票收費應該是100元。這修訂與民主黨要求凍結所有收費是一致的。因此，本人稍後提出修正案，將該項新增月票收費由建議的125元修改為100元。

主席先生，本人謹此陳辭。

劉健儀議員致辭：主席先生，前年天星小輪申請加價，加幅是13.8%。當時雖然天星小輪九三年的純利只得六百多萬元，但天星小輪對前景仍然充滿希望，認為乘客量每年會增加2%，而在加價後，天星小輪在九五年的純利將會

超過1,000萬元，回報率達11.2%。當時立法局包括民主黨的議員接受了天星小輪的加價。不過，天星小輪的如意算盤打不響，最終在九四年，天星小輪的盈利只得二百多萬元，而在九五年，天星小輪不單止沒有盈利、沒有回報，反而虧蝕了四百七十多萬元。如果今次加價不成功的話，九六年的虧損更會高達七百多萬元。預計即使今次可以成功加價18.9%，天星小輪在九六年亦只會收支平衡，沒有甚麼盈利可言。我不明白為何部分當年，即九四年，在天星小輪有盈利而預計也會有盈利時仍准許其加價的同事，今時今日在天星小輪嚴重虧蝕的情況下，竟然反對加價。唯一的解釋就是他們是為反對而反對，又或許是為向選民交代而反對。

如果單以反對公用事業加價的既定立場作為投票的考慮，今次加價的辯論根本毫無意義，因為反對加價的議員的取向早已定下來，就是不顧公司營運情況，不理公司虧蝕，一定要凍結加價。

當議員堂然皇然反對天星小輪加價的同時，你們可曾向市民同時交代清楚你們反對的行動可能引致的後果？迫使小輪公司做蝕本生意，長遠來說，非市民之福。蝕本生意誰人願意做？公司蝕本，直接受害的除了股東之外，還有公司的職工，他們加薪可能無望，原本計劃的員工追加薪酬更可能收回。如果公司因蝕本而停辦，最後受害的是乘客，因為天星小輪這最便宜的渡海工具成為了議會政治的犧牲品，市民被迫改乘其他較貴的交通工具，如地鐵或巴士過海。若這情況出現，市民應該向誰問責呢？

當然，公司蝕本並非加價的唯一考慮，服務質素亦是重要的一環。最近在油地小輪加價問題上，反對加價的議員就捉住服務欠理想而大造文章。今次此招對天星小輪就不中用，因為天星小輪於九五年首11個月只有三宗投訴，而過去幾年，天星小輪雖然營運欠理想，但仍然不斷致力改善服務及加強安全設施。整體來說，絕大部分的乘客對天星小輪的服務可說是滿意的，認為物有所值。在此情況下，如果我們仍然堅持反對其加價，就是向營運者發出一個危險的信息，即做得不好固然不應該加價，做得好亦沒有得加；有錢賺當然不准加價，蝕本亦不容許加。這樣對營運者公平嗎？如果立法局不斷發出這樣的信息，還會有投資者願意投資公用事業嗎？我曾經提過多次，在這裏我再次重複，就是在加價問題上，我們必須平衡投資者與市民之間的利益。投資者需要合理回報，市民需要良好和物有所值的服務。如果只顧要服務又好又最便宜而不理投資者死活，還會有人願作為服務提供者嗎？

似乎今次反對天星小輪加價唯一可以搬出的“理由”，是天星小輪在九四年底申請加價時，曾對劉千石議員作出某些不再加價的承諾。在此，我必須對營運者與個別議員進行“●底交易”，完全架空本局的交通事務委員會

這個做法表示強烈不滿。不過，暫時撇開這個不談，我們看看天星小輪作出過甚麼承諾及他們是否真正違背承諾。在小輪公司於九四年十二月七日給運輸司的信件中，很清楚指出公司承諾的只是如果公司九五年內的純利一如其預測達至過千萬元水平，則公司不會考慮在九五年內再申請加價，但如果盈利未能達至預測的水平，公司是明確地及清楚地保留了在九五年九月申請加價的權利。很明顯，這是一個有條件的承諾。而事實擺在眼前，有關條件無法實現，承諾亦因此告吹。我們可以批評小輪公司財政預測差勁；我們可以取笑天星小輪過份樂觀，但事實上乘客量下降、廣告收入下跌、碼頭及船隊維修所需的額外開支等，都非在公司可能控制的範圍內，因此小輪公司預算失準實屬情有可原。我相信如果可以選擇的話，小輪公司絕對會選擇可以達至九五年的預期收益，而不會選擇在九五年之內申請加價，麻煩各位議員。

天星小輪申請加價的原因既無可再攻擊，最後還可以挑剔的是加價幅度。天星小輪原先申請加價35%，但經交通諮詢委員會審議後，加幅削減近一半，建議只批准加價18.9%。行政局亦只批准這幅度，僅可讓天星小輪在九六年收支平衡，繼續生存。

表面看來，18.9%這個幅度是遠遠高於通脹的，但實際上，絕大部分乘客每程只須多付三毛錢。30年前天星小輪加“斗零”曾經引起很大風波，當年“斗零”還可以買碗白粥，一條油條，但現時三毛錢又可以買甚麼呢？三毛錢又是否會對市民造成沉重負擔呢？最重要的，市民是否真的強烈反對天星小輪加這三毛錢呢？但反過來看，市民多付三毛錢，天星小輪就可以繼續營運，市民仍然有機會選擇這種最便宜的渡海交通工具。30年前，可以買碗白粥、買條油條的“斗零”觸發暴動，我絕對不想今時今日，任何東西都買不到的三毛錢（即六個斗零）搖動投資者對香港商業經營環境的信心，這樣絕對是對香港不利的。在這情況下，我懇請各位議員不要再固執，希望你們回心轉意，支持天星小輪的加價申請。

即使今次加價得以通過，天星小輪可以勉強生存，但天星小輪的前景仍未見樂觀。中環填海工程不斷影響天星碼頭的運作，西隧通車對天星小輪構成重大威脅，在可見的未來，天星小輪的乘客量很可能持續下降，收入減少，單靠大幅度調整票價始終非上策。票價增加不單止加重乘客負擔，亦削弱天星小輪本身的競爭能力，政府必須及早考慮長遠的解決辦法。油地小輪的碼頭上蓋發展可以在一定時間內穩定票價，而政府亦強調並非優惠油地小輪，因為有關的地價是以市場價格釐定。我希望政府考慮讓天星小輪接受同樣的安排，透過碼頭上蓋發展的收益補貼渡輪服務，減輕加價的壓力。此外，政府應該盡快制定長遠的渡輪政策，重新釐定渡輪在整體交通運輸中

所扮演的角色，使渡輪服務可以有方向性地發展，穩健地、有效地積極為市民提供服務。

主席先生，我謹此陳辭，反對周梁淑怡議員和黃偉賢議員的議案，支持天星小輪原先的擬議加價幅度。

MR PAUL CHENG: Mr President, I rise to support the Star Ferry increase proposals. I am very concerned about this Council overly politicizing every single issue because that is not in the interests of Hong Kong's overall progress and Hong Kong's future if we begin to get involved with commercial endeavours. For example, I know the Star Ferry Company is struggling to make a profit. They do not have to stay in business. They can easily close the service, and by closing the service, there will be more unemployment in Hong Kong.

In addition, we must remember that the Star Ferry is a major tourist attraction in Hong Kong. It is a landmark in Hong Kong, and if we close that service, there may also be impact on our tourist industry as a whole.

So I would like to encourage some of my colleagues who are against the fare increase to think carefully. We are talking about 30 cents. Maybe 18% sounds like a big number in percentage terms. But we are talking about only 30 cents. Let us be more realistic and let us not over-politicize every single issue in this Council. It is not in the interests of Hong Kong's future. And it is about time we all wake up to that fact.

Thank you, Mr President.

陳鑑林議員致辭：主席先生，天星小輪向立法局申請加價18.9%，如果單從加幅的表面數字看，的確是相當高的，不過，民建聯並不同意某些團體或政黨的做法，只是簡單地將加幅與通脹率比較，而完全不理會加價申請的具體理據，就提出凍結加價的要求。

民建聯審議政府收費及公共事業加價申請時，通脹率並不是我們考慮的唯一準則。由於本港目前的經濟仍然低迷，我們對於公共事業加價申請有一貫立場，就是要平衡普羅市民以及經營者和工商界的利益。因此，民建聯認為，有盈餘的機構應切實考慮與全港市民“共度時艱”，自動凍結票價一年，而出現虧損的，則可以容許按照個別情況申請合理加幅。

為了了解市民、尤其是經常使用天星小輪的乘客對今次加價的意見，民建聯在二月中至二月下旬分別由獨立的調查機構以電話抽樣訪問，及由民建聯的成員於天星小輪上進行問卷調查。兩項調查結果均發現，大部分被訪者都對天星小輪的加價持一種溫和的態度，並不強烈反對調整票價，而且認為如果小輪公司出現虧蝕的話，是應該讓其加價的。

根據香港市場調查社在九五年十二月進行的另一項調查結果顯示，在全港的交通工具中，市民對天星小輪服務的評分，是僅次於兩鐵及電車，而天星小輪在過去15年的累積票價增幅亦只不過是8.5%，僅次於地下鐵路。

此外，根據天星小輪向立法局提交的資料顯示，由於維修及經營成本上漲，該公司在九五至九六年度的虧損達致479萬元，若今年不作調整的話，將會虧蝕750萬元，即使加價18.9%，亦只能達到收支平衡。而在加價的建議下，我們知道有90%乘客只需多付二至三角，在我們的調查中，大部分被訪者都認為加幅尚不算高。

根據天星小輪預測，其經營前景受到其他交通工具的競爭及碼頭搬遷等因素影響，在九六年的總乘客量會由九五年的3600萬人次下降至3560萬人次，而西區海底隧道於九七年中通車後，乘客量亦將會進一步下跌。

同時，天星小輪一直以來的服務均得到市民的高度評價，且該公司在過去五年的平均回報率只是略高於5%。民建聯認為，既然天星小輪公司是在自由市場經濟下以商業經營原則運作的公共事業機構，因此我們應容許天星小輪有合理的回報及加價機制，以收回成本和達致合理的利潤。

民建聯在評估本港目前的經濟狀況、天星小輪的經營狀況和前景、市民對小輪服務的滿意程度以及對票價的承擔能力等方面後，認為天星小輪今次的加價是可以接受的。至於黃偉賢議員提出的有關月票的修訂，我們認為是不切實際的，我們不會支持。因為修訂之後，已經獲優惠的月票收費，與每程實質的差距將會越來越大，而且他的修訂是按照原有的票價而修訂的。

主席先生，一些團體或政黨可能一直以為，“逢加必反”永遠是對的，但從今次的調查結果可見，其實絕大部分香港市民都是相當理性的。他們在考慮公共事業的加價申請時，除了表面的加幅外，亦會同時考慮有關機構的經營狀況和加價的實質影響，才作出決定。因此，我認為作為一位負責任的立法局議員，作為一個負責任的政黨，就更應理性也考慮每一項加價申請的

具體理據，以作出合乎社會整體利益的決定。

近日我們聽到有些意見，說民建聯對天星小輪加價問題立場不定，而且曾經表示不會支持加價的申請，並批評我們是借民意“轉”。不錯，民建聯在接到天星小輪申請加價的初期，因為小輪公司所提供的資料缺乏，而且天星小輪曾經與民主黨議員私下作出承諾這問題尚未澄清，故此民建聯當時表示在上述情況下不會支持加價申請，而我們亦曾經多次強調會進一步向天星小輪了解有關的情況和進行研究。因此，有人認為民建聯會盲目反對到底，我們認為只是“一廂情願”而矣。民建聯的立場是合乎民情的，而且是在平衡公共事業機構和市民的整體利益而作出決定的。

我們認為，為了減輕小輪公司經營成本的不斷增加，政府應該承擔部分碼頭維修費用。此外，由於本港現時對於公共事業的運作及監管沒有一套劃一的標準及監管制度，民建聯建議，港府可以參照國際品質鑑定的標準，制定一套適用於所有公共事業機構的服務水平及監管制度的標準，使經營者可以有所依循，以改善服務質素，而且政府、立法局和市民亦能夠易於監察。

主席先生，本人謹此陳辭。

蔡根培議員致辭：主席先生，雖然陸上交通網絡日臻完善，大部分市民寧願選擇費用較貴但較方便的渡海交通工具，可是，港內航線仍然有值得保留的優點。目前，天星小輪服務仍然是最便宜的渡海交通工具，而且它的確能對紓緩陸上交通壓力起不小作用。

於九四年初，本港經濟發展蓬勃，天星小輪難免對盈利有較高的預測，可惜及後經濟滑下坡，適逢碼頭搬遷，及面對的競爭環境較惡劣，乘客流量增長停滯不前。值得注意的是，天星小輪並非壟斷市場，而是要面對其他競爭對手，特別是地鐵及隧道巴士。若乘客認為加價幅度不合理的話，乘客大可選擇其他交通工具，而當乘客下降，最終受影響的只會是該公司。另一方面，其經營成本卻不斷增加，其中包括工資、維修及保養的高漲成本。如果票價未能調整，恐怕會面臨虧損的危機。若一個企業並非由於其經營不善，而是經營環境改變而虧損，而我們不考慮實際情況，只為“逢加必反”，凍結其加價申請，這將向工商界顯示出一個極壞的信息。影響所及，使投資者及工商界均會對經營這類公營事業有所保留。這將對整體社會帶來不利因素。

據了解，目前一般乘客大多數均滿意天星小輪所提供的服務。據一項調查指出，在全港的公共交通工具中，乘客對天星小輪的評分是較高的。今次政府提出的加幅18.9%表面上確實是一個較高的百分比，然而，根據具體數

字，平均90%的乘客只須額外多繳付兩角至三角的船費，這個加幅尚屬溫和，市民反對加價之聲並不激烈；而且，根據一項調查顯示，大多數乘客均可接受這個加幅。因此，本人支持今次天星小輪提出的加價申請。

主席先生，本人謹此陳辭。

廖成利議員致辭：主席先生，本人代表民協支持凍結天星小輪加價。

我重申民協的立場，就是反對任何會影響市民生活，加重大眾負擔的加價。民協認為今年是一個困難時期、非常時期，故此反對影響民生的加價。

自九四年年底以來，本港經濟放緩，失業率攀升，去年全年通脹仍維持在8.7%的高水平。在高通脹、高失業率的雙重打擊下，市民的生活可說是百上加斤，各不同公用事業不斷加價，更是落井下石。民協不想也不忍見到這個情況，故要求今年作為一個“凍結年”，所有公用事業暫停加價一年。

民協建議天星小輪今年年底才再次提出加價申請，而今年就好好地檢討自己的經營方式及發展策略。如果政府有何具體穩定天星小輪票價加幅的建議，亦應在與天星小輪商討後，提交本局審議。此外，民協亦要求政府制定整體渡輪政策。

本人謹此陳辭。

PRESIDENT: I now invite Mr WONG Wai-yin to speak for the second time since after the joint debate, he will not be given the opportunity to speak when moving this motion. But I am sure Mr WONG will be brief and not repetitive. Mr WONG Wai-yin, do you wish to speak?

黃偉賢議員致辭：主席先生，在今次天星小輪加價問題上，與其他公共事業機構及公共交通機構的加價一樣，其實民主黨一如剛才民協廖成利議員所認為，今年是香港市民面對的一個艱難時刻。我們也知道工商界內一些財團的利潤可能也沒有以往那麼多，但少賺一些是否不可以呢？我們覺得不是的。一些公共事業機構的投資不是只看一年半。我們整天說天星小輪正在虧損，但這只是它第一年面對的虧損情況，它以前賺的盈利，我們為甚麼不考慮在內呢？

剛才有很多同事說，民主黨“逢加必反”，可幸劉健儀議員開宗明義說在九四年十二月天星小輪申請加價時，民主黨曾表示支持。當時天星小輪在有盈利的情況下，我們也支持它的加價，是因為我們曾與天星小輪及政府三方面進行討論，希望小輪公司當年加價大約13%，利潤能達致預期的1,000萬元後，根據當時的數據計算，它直至九七年也無須加價，令市民在數年內能享有一個穩定的票價。因此，當年民主黨支持小輪公司的加價申請。這正正反映出民主黨不是“逢加必反”。這話我已不知說了多少次，這帽子我們是戴不到的。

主席先生，其實在今次的加價問題上，有些同事提到，天星小輪虧損也不讓它加價。是否一些機構虧損，我們便讓它加價，而不用考慮加價的理由？基本上是否與它本身的經營出現問題有關呢？我已經強調，天星小輪在九四年十二月提出加價時，本來預測未來兩年分別有1,000萬元及850萬元的盈餘，但現時卻倒虧蝕數百萬元，與預測數字大約相差1,500萬元。對一間公司來說，這1,500萬元的差距肯定是公司本身的預測及在控制成本方面出現問題，而現時卻要由乘客來承擔。我們的同事還很理直氣壯地說因小輪公司虧蝕而讓它加價，也即是說要乘客來承擔了。我們覺得不應該單看公司的盈虧情況。

主席先生，還有很多同事說，實際上只增加兩、三角。不錯，對於局內在座的一些同事來說，兩、三角真的不值錢，可能兩、三元，二、三十元，甚至二、三百元，對他們也不算是甚麼；但對一些每月只賺取四、五千元，甚或月薪更低於這數目的人士來說，每一毛錢也很重要。因此，不可以不顧及加幅，而只看實際所加的兩、三角。我剛才也特別強調，即使加幅是兩成，你們也認為實際數額，即兩、三角不多時，小輪公司預算在九九年加價79%，但實際數額也只是一元多，有些同事也會認為數額不大，我們屆時是否也支持小輪公司加價79%？因為屆時天星小輪搬了碼頭，可能嚴重虧損。

主席先生，最後我只想談談，在今次天星小輪加價問題上，我已汲取上次油地小輪加價的經驗，預先與各黨各派的議員討論，除了自由黨外，因為自由黨的立場已很清楚。我私底下也曾與劉議員商談，發覺大家在這加價問題上很難談得攏，所以我只是與民建聯、工聯會、工盟、民協及一二三等政黨商談。我曾接觸民建聯的交通政策發言人張漢忠議員，以及工聯會的陳婉嫻議員，他們兩位向我清楚表示，民建聯與工聯會都會支持今次凍結加價的建議，即不會讓天星小輪加價。當時張漢忠議員很清楚表示，民建聯是經過討論後才作出這結論。剛才陳鑑林議員說如果以為民建聯是盲目反對到底，則是我們民主黨一廂情願的想法。我相信這不是我們一廂情願的想法，而事實上是民建聯與工聯會在局內的代表曾公開提出的意見。陳婉嫻議員現時不在座，但她在局外也曾公開說他們支持凍結加價。最後民建聯藉一

調查，說民意認為今次的加價不太高，可以接受，所以民建聯支持今次加價。他們今次所作的調查，無論是電話及實地調查，大約只是1 000人左右，但上次油 地小輪申請加價，離島居民帶了6 000封反對加價信件來立法局請願，如果民建聯覺得民意如此重要，他們這麼重視民意，就應該聽取6 000名離島居民的意見，凍結油 地小輪的加價。當然，今次這事件也讓我了解到，雖然大家事前曾一起討論，但在最後表決時，還可以“轉 ”。我不知道張漢忠議員是否能代表民建聯作為交通政策的發言人，他在這問題上可否作出決定，抑或是民建聯其他成員才可作最終決定。

主席先生，我相信在民建聯“轉 ”後，原本可以成功凍結天星小輪加價這議案，很大機會不能在本局通過。不過，我很希望大家支持我那項有關月票的簡單修正，因為使用月票的乘客，都是一些經常乘搭小輪的人士。根據民建聯的調查，他們以一星期乘搭一至兩次天星小輪也當作經常乘搭，如果是這樣的話，則每天乘搭就是“極度”經常乘搭了。月票對這些乘客來說有極大幫助，我們希望可藉此減低一些經常乘搭小輪的市民的生活壓力。

主席先生，本人謹此陳辭，民主黨支持周梁淑怡議員代表小組委員會提出凍結天星小輪加價的議案。

張漢忠議員致辭：主席先生，由於黃偉賢議員三番四次提到我們之間的商談，所以我覺得要作出適當的回應。

讓我重申民建聯在公共事業增加收費問題上的立場。民建聯要求有盈餘的公共事業公司主動凍結增加收費，但如果公司有所虧損的話，在它們申請加價時，我們就會很小心和審慎逐項處理。我們考慮的因素包括有關公司的服務水平、虧損原因，以及過往的收益水平。今次天星小輪申請加價，我們早期的確沒有掌握確實的數據，所以有反對天星小輪增加收費的傾向，而這只是一個傾向。在公開的場合上，我們也有表明我們的傾向，即反對小輪公司增加收費。但在後期，我們進一步了解更多資料後，確定今年天星小輪的財政狀況有470萬元虧損，以及預期將來也有虧損的情況下，我們覺得有需要重新考慮我們的傾向。因此，民建聯內部在作出一些調查後，認為須聽取民意，了解普羅市民的看法，以及他們對天星小輪服務水平的意見，才可作出最後的決定。

在民建聯進行了民意調查後，市民一般都對天星小輪的服務感到滿意。民建聯經過考慮過各項因素，認為沒有理由反對一間服務水平為市民接受而又出現虧損的公共事業機構的加價申請。因此，民建聯在整個過程中，並沒有“轉軟”。這也可表現出民建聯在審議事情時，都是很審慎和理智地作出

明智的決定的。

謝謝主席先生。

曾健成議員致辭：主席先生，我想澄清一點，如果真是沒有“轉軌”的話，我懇請民建聯同事在掛在路邊的木板上，在“凍結加費保民生”之後以括號加上“如果虧蝕便准加費”這句說話。

謝謝主席先生。

葉國謙議員致辭：主席先生，對於曾健成議員的意見，我相信不用他教民建聯怎樣做。如果我們認為應怎樣做，我們會自行決定怎樣去做。

剛才黃偉賢議員提到兩、三角對香港的普羅大眾，低下層市民是一件大事，而不是我們一些議員所說的是一件小事或不覺得是甚麼一回事。我們對兩、三角加幅的看法並不是憑空想象說這是一個小數目，而是我們在調查中清楚看到市民對兩、三角的加幅是接受的，特別是如果經營機構出現虧蝕的情況下，他們是會接受的，有60%，接近70%的受訪者均持有這種意見。我希望黃偉賢議員自己亦應看看民意的趨向，不要閉門造車，說兩、三角對普羅大眾是一個大數目。

此外，有關上次油蔴地小輪加價，他說有6 000個簽名支持反對油蔴地小輪加價，但我必須清楚指出，我們對那次加價曾作出十分審慎的研究，並曾聽取離島區議會對這方面的意見。我相信離島區議會是一個民意的代表機構，而我們在聽取民意代表的意見後所作出的決定，足以表示我們已聽取了民意。我們並沒有忽視六千多人在這方面的意見，但我們要衡量民意，以及在民意基礎上作出分析。從社會上的反響，我們絕對有理由相信上次所作出的決定是正確的。

SECRETARY FOR TRANSPORT: Mr President, some Members of this Council seem to enjoy the merry-go-round. Virtually every time when proposals to revise fees and charges are tabled in this Council or when applications are submitted by public transport operators to increase their fares, we have to box and cox. The Administration does not begrudge Honourable Members the right to examine and scrutinize such proposals — indeed, it is

because we fully recognize this to be a legitimate discharge of their responsibilities that we in turn do our best to provide all the information that is necessary and can be made available to facilitate the process. However, after all the facts and figures have been provided and it has been clearly demonstrated that a public transport operator needs a fare increase because the company would otherwise sustain a loss, the stubborn adherence to indefensible principles on the part of some political parties and Members, and their continued attempts to frustrate fare adjustments is beyond comprehension and certainly not in the wider public interest. This scenario applies to the motion now before the Council pertaining to the Star Ferry Company Limited.

I fully share the Honourable Paul CHENG's views on the dangers of politicizing such cases.

Mr President, the Administration's fundamental policy on public transport is that all such services should be provided by the private sector without any subsidy. This formula has served Hong Kong well and we risk changing this at our peril. There have been many debates on this subject. The arguments and counter-arguments have been rehearsed over and over again and are well documented in the Hansard. Likewise, Members are fully aware of the consultative process and the criteria which the Administration has adopted in processing applications for fare increases. There is no need for me to reiterate these points again today. Instead, let me focus on the basic facts pertaining to the present application from Star Ferry. At this juncture, let me particularly thank the Honourable Mrs Miriam LAU and the Honourable CHAN Kam-lam for so clearly expressing the views of the Liberal Party and the Democratic Alliance for the Betterment of Hong Kong (DAB) respectively, and for so convincingly demonstrating why the fare increase sought is totally justified.

Let me now try to echo some of these points and explain why the Government likewise believes that the Star Ferry's application merits full support.

First, the Company's undertaking — its commitment not to seek another fare increase in 1995 was subject to the caveat that its profits would remain at more or less the same level as forecast. As the Honourable Mrs Selina CHOW and the Honourable Mrs Miriam LAU have pointed out, there can be no misunderstanding since this was explicitly stated in the Star Ferry's letter dated 7

December 1994 which has been circulated to Members of this Council. Although the Company's forecast of its financial performance has not been accurate, the actual position today is that its audited accounts show that it made a small profit in 1994 but incurred a loss of \$4.79 million in 1995. The Company has not therefore reneged on any promise in seeking an adjustment in fares now.

Second, the amount of the fare increase — although this appears to be excessive in percentage terms, the real impact is better described and understood in monetary sums. About 90% of the 96 000 daily passengers will pay but 20 to 30 cents extra per trip. This is minimal and affordable. Senior citizens, comprising 6% of Star Ferry's commuters, will continue to enjoy free rides. It is also worth pointing out that there has been no protest from commuters and no adverse editorial comment on the proposed fare increase. Indeed, even with this increase, Star Ferry will still provide the cheapest public transport mode for cross-harbour services.

I am glad for the survey undertaken by the DAB and I thank them for their initiative as we confirm the public acceptability for the fare increase now sought.

Third, Star Ferry's performance — the Company has consistently provided a high level of services, in both terms of adequacy and quality. Its ferries are clean and comfortable, and certainly good value for money. This is borne out by the fact that in the calendar year 1995, there were only three complaints.

Fourth, Star Ferry's own efforts to economize — the Company has made conscious efforts to keep operating costs down. These include a bridge control automation programme completed in 1994 and special training for its coxswains on measures to safeguard the fender system, resulting in cost savings of \$4 million per year. This clearly demonstrates Star Ferry's willingness to cut costs whilst striving to maintain its services to commuters. Unfortunately, even with such internal economy measures, total costs have still gone up, necessitating a fare rise.

Fifth, a pier development package — some Members have asked why not

grant Star Ferry pier development rights to help redress the situation, particularly since there is already a precedent *vis-a-vis* the Hong Kong and Yaumati Ferry Company (HYF). The answer is that we are not comparing like with like. In Star Ferry's case, modest adjustments in fares at regular intervals would suffice, but not so for HYF which requires a substantial injection of funds to make their services viable and even then they would require annual fare increases in line with inflation. In short, a transport justification to support a pier development package for Star Ferry has not been established.

Several Honourable Members have suggested that the Government should be more proactive in supporting ferry services, for example, by taking on some responsibilities for pier maintenance. I shall certainly follow this up. I also look forward to the motion debate on the review of long-term ferry policy which I understand the Honourable Mrs Miriam LAU has given notice to propose. This will provide an opportunity for a further exchange of views.

Mr President, Star Ferry's submission has been vetted very meticulously by the Subcommittee chaired by the Honourable Mrs Selina CHOW. May I record the Administration's appreciation to her and to all Members for their time and interest. Not surprisingly, and possibly because of the predetermined stance on the part of the Democrats and the Association for Democracy and People's livelihood to deny any fare increase, an unanimous view could not be reached.

May I add a personal observation on this point. I am surprised that the Honourable WONG Wai-yin has attempted to criticize the DAB for changing their minds. In fact, credit is due to them for their preparedness in analyzing the facts and coming to the right decision.

Mr President, we therefore have to be realistic and pragmatic. The very modest fare increase sought by Star Ferry is fully justified. I urge Honourable Members to vote against both resolutions.

周梁淑怡議員致辭：主席先生，俗語有云：“身在玻璃屋的人便不要亂擲石頭”。黃偉賢議員剛才強烈攻擊民建聯的立場，但我其實很感激民建聯進行那項民意調查，因為它能肯定證明自由黨的看法是正確的，而公眾對整件事情亦有肯定的看法。民建聯進行了該項調查，令大家對這事情有較清楚的看法，我覺得我們應該對其加以尊重。

在玻璃屋內的黃偉賢議員其實對於加費的立場也不見得相當堅定。他曾多次公開與私下說民主黨的代表曾與自由黨的代表就加費問題商談，而他們當時是同意凍結政府加費的。不過，他們現在卻改變主意，說要分開甚麼加費才會支持，甚麼加費就不支持；說與民生有關的便支持，與民生無關的便不支持等諸如此類的說話。我們不知道政府的說服力有多強，我們只知它花了很多時間。

總而言之，我呼籲本局同事反對我這項議案，以及反對黃偉議員的議案，這樣才可以真真正正作出一項符合資本主義社會原則的適當決定。

謝謝各位。

Question on Mrs Selina CHOW's motion put.

Voice vote taken.

THE PRESIDENT said he thought the "Noes" had it.

Mr WONG Wai-yin and TSANG Kin-shing claimed a division.

PRESIDENT: Council shall now proceed to a division.

PRESIDENT: I would like to remind Members that they are now called upon to vote on the question that Mrs Selina CHOW's motion, moved in the capacity of Chairman of the Subcommittee, be approved. Will Members please register their presence by pressing the top button in the voting units and cast their votes by pressing one of the three buttons below?

曾健成議員：請問動議議案的議員可否投反對票？

PRESIDENT: Of course, he or she may.

PRESIDENT: Before I declare the result, Members may wish to check their votes. Are there any queries? The result will now be displayed.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-yin, Mr LEE Cheuk-yan, Mr Andrew CHENG, Dr Anthony CHEUNG, Mr Albert HO, Mr LAU Chin-shek, Dr LAW Cheung-kwok, Mr LAW Chi-kwong, Mr LEUNG Yiu-chung, Mr Bruce LIU, Mr MOK Ying-fan, Mr TSANG Kin-shing, Dr John TSE and Mr YUM Sin-ling voted for the motion.

Mr Allen LEE, Mrs Selina CHOW, Dr David LI, Mr NGAI Shiu-kit, Mr LAU Wong-fat, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Miss Emily LAU, Mr Eric LI, Mr Henry TANG, Dr Samuel WONG, Dr Philip WONG, Mr Howard YOUNG, Miss Christine LOH, Mr James TIEN, Mr CHAN Kam-lam, Mr CHAN Wing-chan, Mr Paul CHENG, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr David CHU, Mr IP Kwok-him, Mr Ambrose LAU, Mr LEE Kai-ming, Mr LO Suk-ching, Miss Margaret NG and Mr NGAN Kam-chuen voted against the motion.

THE PRESIDENT announced that there were 25 votes in favour of the motion and 29 votes against it. He therefore declared that the motion was negatived.

Suspension of Standing Order 36(4)

DR LEONG CHE-HUNG: Mr President, I rise to seek your consent for me to move without notice a motion to enable the duration of the division bell for certain divisions to be shortened. On 1 March 1996, the House Committee unanimously agreed that I move such a motion to reduce to one minute the duration of the division bell in the event of further divisions being claimed in respect of the remaining motions to be moved under the Interpretation and General Clauses Ordinance at this sitting.

PRESIDENT: You have my consent.

DR LEONG CHE-HUNG: Mr President, I move that in the event of further divisions being claimed in respect of the remaining motions to be moved under the Interpretation and General Clauses Ordinance at this sitting, Standing Order 36(4) be suspended so that the President may order that the Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

Question on the motion proposed, put and agreed to

PRESIDENT: I now order that in the event of further divisions being claimed for the remaining motions to be moved under the Interpretation and General Clauses Ordinance at this sitting, the Council do proceed to each division immediately after the division bell has been rung for one minute.

MR WONG WAI-YIN to move the following motion:

"That the Ferry Services (The "Star" Ferry Company, Limited) (Determination of Fares) (Amendment) Order 1996, published as Legal Notice No. 40 of 1996 and laid on the table of the Legislative Council on 24 January 1996, be amended in section 2(1) by repealing, in the new item 4A, "\$125" and substituting "\$100"."

黃偉賢議員致辭：主席先生，我動議通過議事程序表所載在我名下的議案。

Question on Mr WONG Wai-yin's motion proposed and put.

Voice vote taken.

THE PRESIDENT said he thought the "Noes" had it.

Mr WONG Wai-yin and Mr LEE Wing-tat claimed a division.

PRESIDENT: Council shall now proceed to a division.

PRESIDENT: I would like to remind Members that they are now called upon to vote on Mr WONG Wai-yin's motion. Will Members please register their presence by pressing the top button and then proceed to vote by choosing one of the three buttons below?

PRESIDENT: Before I declare the result, Members may wish to check their votes. Are there any queries? The result will now be displayed.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Dr YEUNG Sum, Mr WONG Wai-yin, Mr LEE Cheuk-yan, Mr Andrew CHENG, Dr Anthony CHEUNG, Mr Albert HO, Mr LAU Chin-shek, Dr LAW Cheung-kwok, Mr LAW Chi-kwong, Mr LEUNG Yiu-chung, Mr Bruce LIU, Mr MOK Ying-fan, Mr TSANG Kin-shing, Dr John TSE and Mr YUM Sin-ling voted for the motion.

Mr Allen LEE, Mrs Selina CHOW, Dr David LI, Mr NGAI Shiu-kit, Mr LAU Wong-fat, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Miss Emily LAU, Mr Eric LI, Mr Henry TANG, Dr Samuel WONG, Dr Philip WONG, Mr Howard YOUNG, Miss Christine LOH, Mr James TIEN, Mr CHAN Kam-lam, Mr CHAN Wing-chan, Mr Paul CHENG, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr David CHU, Mr IP Kwok-him, Mr Ambrose LAU, Mr LEE Kai-ming, Mr LO Suk-ching, Miss Margaret NG and Mr NGAN Kam-chuen voted against the motion.

THE PRESIDENT announced that there were 25 votes in favour of the motion and 29 votes against it. He therefore declared that the motion was negatived.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW to move the following motion:

"That -

(1) the Land Registration Fees (Amendment) Regulation 1995, published as Legal Notice No. 35 of 1996 and laid on the table of the Legislative Council on 24 January 1996, be amended -

(a) in section 5 -

(i) by repealing subsection (3);

(ii) by repealing subsection (4);

(iii) by repealing subsection (5) and substituting -

"(5) Regulation 4(1) is amended by adding before paragraph (a) -

"(aa) item 10(1) of the Schedule for supplying a copy of a folio of a New Territories Land Registry register, ".";

(b) by repealing section 6 and substituting -

"6. Schedule amended

The Schedule is amended -

(a) in item 7, by adding ", New Territories Land Registry register," before "or diazo copy";

- (b) in item 10(1), by adding "or folio of a New Territories Land Registry register" after "Crown lease";
 - (c) in item 10(2), by adding ", or a hard copy from a microfilm," after "copy".";
- (2) the Land Registration (Amendment) Regulation 1996, published as Legal Notice No. 39 of 1996 and laid on the table of the Legislative Council on 24 January 1996, be amended by repealing section 2(2)."

MRS SELINA CHOW: Mr President, I move the second motion standing in my name on the Order Paper. The motion seeks to amend the Land Registration Fees (Amendment) Regulation 1995 and Land Registration (Amendment) Regulation 1996. These Regulations, together with three others on Land Registration, have been studied by the Subcommittee I mentioned in my first motion today.

The five Land Registration Regulations under study aim to consolidate the land registration fee structure for the urban and New Territories, and to rationalize and update the existing fee structure for various services by the Land Registry on a cost recovery basis. It was put to us that the overall average increase is about 10%.

Having studied the additional information provided by the Administration on the proposed fee increases, Members consider that the Regulations involving policy issues on restructuring of registration fees cannot be thoroughly studied by the Subcommittee within the short scrutiny period allowed for subsidiary legislation. They agree that the Administration should justify in detail the proposals in the Regulations at the Legislative Council Panel on Planning, Lands and Works.

Members unanimously decide to:

- (a) repeal the new schedule of fees under section 6 of Land Registration Fees (Amendment) Regulation 1995 (L.N. 35 of 1996) in the interest of time;

- (b) make, as a consequence of such repeal, other amendments as are necessary to allow the existing fee structure to apply to both the urban and New Territories areas; and
- (c) preserve as far as possible other Administration's proposals that are not inconsistent with the existing fee structure as reinstated.

Mr President, I beg to move.

Question on the motion proposed.

陳偉業議員致辭：主席先生，真想不到沒有甚麼議員有興趣就這問題發言，可能是今天財政司的預算案太精彩吧。

關於《土地註冊規例》的修訂，首先，對於政府在有關修訂正式公布前沒有作任何公開諮詢和討論，我想表示民主黨的不滿。因為直至刊登憲報及立法局有關小組委員會進行審議時，我們都沒有充分和足夠的時間研究有關修訂，因而造成一個不大合理和不大公平的情況。

有關的小組委員會在研究這項修訂後，認為有關的註冊費用可能會涉及結構重整的政策問題，故此，同意應在有關的事務委員會內詳細闡述各規例的建議。這是負責審議這項修訂的小組委員會向內務委員會提交的報告內的意見。有關的事務委員會，即立法局規劃地政及工程事務委員會由於時間緊迫，在短時間內，即在今午十二時舉行了一次特別會議，討論這個問題。在討論期間，我們集中研究這次費用的調整有否影響或更改既定的政策。今天大部分出席這次會議的成員基本上都覺得政府提出這項修訂，在整體和原則上並沒有改變政策。至於個別成員是否贊成加費則是另一回事。我強調，在整體政策上並沒有改變。土地註冊處這次的修改，基本上是跟隨九三年成立土地註冊基金時的基本原則，即根據用者自付、自給自足、不應出現互相補貼的情況及有關的各項收費應自負盈虧等各項原則。這是政府的解釋，以闡述這次修訂是跟隨過往兩次的收費修訂路向，並沒有改變。

既然政策上沒有改變，我們看看個別收費的實際問題。在多項收費中，民主黨原則上對兩項收費持有特別大的意見。其實在一九九六年二月一日的會議上，單仲偕議員已代表民主黨提出建議。第一就是有關註冊費的修訂，政府建議把原本的三級收費水平改為劃一收費，民主黨認為這改變對一些原本繳費低的人士不大公平，所以我們建議應改為兩級收費，意思是不超過75

萬元的物業的註冊費應定為230元；而超過75萬元的物業的註冊費則可定為450元。

此外，關於公契註冊費方面，政府的新建議是將其定在同一水平，所有單位的公契註冊費都是2,000元。民主黨認為這是一個太急進的改變，並不十分合理，令人較難接受。我們建議政府採用一個漸進式的改革模式，超過十個單位的樓宇的公契註冊費可定為2,000元，一如政府的新建議，但十個單位或以下的樓宇的公契註冊費則應減半，即1,000元。

一如我剛才所說，這些建議已在九六年二月一日的會議上進行討論，政府當時亦已答應接受，但基於程序上的問題，今天不能一下子跟從我剛才的建議進行修改。如果政府在今天通過新收費後，盡快重新就我剛才提出的建議作出調整，在新建議未正式實行前，仍然繼續沿用原本的舊收費，即註冊費分為三級；公契註冊費則保留在60元的水平，直至新建議跟從我剛才提出的建議落實為止。如果政府能作出這樣的承諾，民主黨便會反對周梁淑怡議員的議案。

多謝主席先生。

MR RONALD ARCULLI: Mr President, I would like to seek a clarification from the Honourable Albert CHAN. I could not quite understand whether he is suggesting that if in fact the proposal of the Administration is passed today, he is actually asking the Administration not to enforce it but to follow the old regime which would have been revoked by passing of the resolution today.

陳偉業議員致辭：主席先生，夏佳理議員的理解是正確的。因為據我的理解，雖然政府今天的規例獲通過，即如果周梁淑怡議員的議案被否決，那麼刊登在憲報的收費表就是有效的，不過，由於實施的日期是由政府行政決定的，政府可以運用行政權力，不立即實施，直至新的收費表重新刊登憲報。

如果政府稍後作出這個承諾，正如我剛才所說，我們會支持政府原本的整體收費。因為這涉及很多方面的收費，而不單是我剛才所提及的兩部分。我們只是對該兩部分有特別的意見。

MR RONALD ARCULLI: Mr President, I think in my seven years here, it is

probably the first time that I have heard it suggested to the Government to actually not enforce something that is passed today.

In terms of the commencement period, the reason why we are dealing with the resolution today is that I believe there is in fact a time limit. If there is no objection by this Council, presumably the resolution would have gone ahead. But be that as it may, clearly the Democratic Party, if they choose to adopt this rather unusual line, so be it. For myself, and indeed for the Liberal Party, I do not think we can subscribe to breaking with tradition in encouraging the Administration not to enforce, or not to implement, any measures passed by this Council, whether we are talking about the resolution today or indeed any other laws. If in fact there is a clear mandate to the Administration for it to choose the implementation of an ordinance which quite often there is, be it in the Governor or be it with the relevant Secretary whether as the whole or part of any ordinance, then the Committee and this Council deliberating that particular bill or bills would have in fact taken that into consideration. And I think this is why the Subcommittee in its deliberations actually decided to recommend to this Council that we reject the current proposal but have made it quite clear to the Administration that they can come back in fact with a new proposal. And indeed the proposal put forward by the Democratic Party of a two-tier rather than the three-tier charge was not a proposal that the Administration thought was acceptable to them. But they simply considered it because Members put it forward. So what the Administration's position on the two-tier rather than three-tier proposal is, as a member of the Subcommittee, I am not in the know so to speak. So all I can say is that we need time to consider the policy implications in the proposal and that is why it was referred to the relevant Panel.

I disagree with the Honourable Albert CHAN when he says that there is no policy implication. There is policy implication, in fact, in the current proposal. Certainly from a legal point of view, I can see a difference in policy proposals. So I would urge Members to reject the proposal of the Administration.

Thank you, Mr President.

李柱銘議員致辭：主席先生，其實夏佳理議員也不用太緊張，因為我相信其實周梁淑怡議員可能跟上一項議案一樣，希望我們反對她提出的議案，所以民主黨會反對。

李永達議員致辭：主席先生，我想回應兩點，因為夏佳理議員提及制度的問題，以及我們是否在這問題上不尊重內務委員會的決定，即對於每當政府有法例、議案或決議時會轉交委員會這個做法我們有不同意見。其實我們是同意這做法的，因為這是李柱銘議員的建議。不過，問題是在討論每一項法例、決議或附屬法例時，哪些才算是涉及政策問題，我們可以有不同的意見。夏佳理議員認為這項收費改變涉及政策問題，但我們認為並不涉及政策，而今天早上委員會討論後也認為不涉及政策問題，所以我們覺得在這次表決過程中，不單顯示同事對這項收費建議的看法，也顯示他們對這項收費建議是否涉及政策問題的傾向。假如在座的同事認為這項決議或附屬法例本身涉及政策問題，我相信他們不會容許其在短時間內通過。因此，我覺得這次表決本身已可以反映出兩個傾向。我覺得夏佳理議員剛才說得比較嚴重，我們其實並沒有對這個制度表示任何意見。

謝謝主席先生。

陳鑑林議員致辭：主席先生，我們在這次審議過程中，發現政府這首個營運基金在過去兩、三年有相當豐厚的盈餘，所以我們認為政府這營運基金在現階段不應作出收費調整。至於收費內的部分，剛才有些同事亦提到調整收費的機制導致部分收費大幅下降，使其他收費須大幅調升來遷就整體的增幅達致10%，我們認為這做法是不太恰當的。我們經過審慎的考慮後，不同意政府這次的申請。

謝謝主席先生。

規劃環境地政司致辭：主席先生，我很多謝規例小組委員會的各位成員研究和審議《1995年土地註冊費用（修訂）規例》、《1995年土地註冊（新界）費用（廢除）規例》、《1995年土地註冊費用（修訂）規例1996年（修訂）規例》、《1995年土地註冊（新界）費用（廢除）規例1996年（修訂）規例》，以及《1996年土地註冊（修訂）規例》。

然而，我不可以贊同今天所提出的有關《1995年土地註冊費用（修訂）規例》及《1996年土地註冊（修訂）規例》的決議。倘這項決議獲得通過，

實際效果等於廢除土地註冊處各項修訂費用的建議，這不但會破壞土地註冊處營運基金的運作，對於該處為市民提供的服務，亦會帶來不良的影響。

首先，我想指出各項修訂費用的建議目的，是要使土地註冊處可以維持以自給自足的模式運作，提供物有所值的服務，迎合客戶的需求。整體建議是以收回成本、用者自付、取消互相補貼為基礎，這項政策也是《營運基金條例》的基本原則。一九九三年三月十日本局支持並通過《營運基金條例》後，土地註冊營運基金在一九九三年八月成立。一直以來，基金的運作都是遵從這項政策，例如在一九九四年七月和一九九五年一月調整收費，目的就是要逐步收回提供服務的全部成本和削減互相補貼，今次建議的收費並沒有偏離這項政策。

在檢討現時的收費情況後，我們發現其中某些收費有互相津貼的情況，有必要作出修訂。根據收回全部成本的原則來制訂收費，是希望使收費結構變得更合理、減少不同服務收費之間互相津貼的情況，以及可因應通脹增加收費。這樣，一些收費會增加，但另一些則維持不變，而主要的註冊費更會調低。整體增幅只是10%，我們認為這個增幅不會對通脹或市民的生活造成重大影響。

為了確保土地註冊營運基金能以健全的財政運作，我們為基金訂下一個目標資產回報率。現時的目標回報率是10%，而這是一個平均的目標，有時每年實際達到的回報率會稍高或低於目標回報率。如果有盈餘的話，盈餘須投入基金內，以支付基金的日常開支，以及投資在改善服務計劃內，最終目的是要提高服務效率和質素。如果今次建議的加費獲得接納，而且在一九九六年至二零零零年每年都可根據通脹調整的話，我們估計在未來每年營運基金可達到的資產回報率只有9.5%左右。

此外，我想指出，今次的調整收費對於大部分買賣樓宇的市民而言，是有所得益的。在新的註冊收費下，每宗樓宇買賣一般需要支出的註冊費將減少約9%，有關的查冊費用則維持不變，所以我們認為新收費不會影響民生。

至於今天的決議，我們認為不可以接受。首先，這項決議違反了用者自付的原則，對於某些服務而言，一些服務使用者須津貼其他使用者，這是不公平的。若決議獲得通過，則現時的收費會維持不變，亦即目前部分服務使用者須津貼另一些服務使用者的不妥善情況，將會維持。

第二，這項決議有違土地註冊處根據《營運基金條例》設立營運基金的

精神，並會影響該處推行新計劃和新服務的能力。

新收費預計會為土地註冊處帶來每天3,390萬元的額外收入。如廢除新收費建議，將會直接影響土地註冊處營運基金的財政穩健狀況。在一九九六至九七年度，我們預料營運基金會因此出現1,200萬元的赤字。在這些情況下，土地註冊處現時考慮的各種提高效率的措施，例如把全部註冊文件轉為電子影像，以及提供跨地區土地查冊服務等計劃，將須延期推行，甚至取消。此外，土地註冊處還可能須向政府，亦即間接向納稅人，借取更多資金。

第三，這項決議使市民不能以較低廉的費用，享用土地註冊處的服務。舉例來說，我們建議把土地註冊處最多人使用的服務所收取的費用，即主要註冊費用，由530元減至420元。以外，《1995年土地註冊費用（修訂）規例》附表第8(b)項規定，查看土地註冊處契約登記備忘錄日誌，每本收費150元。這是土地註冊處現時提供契約登記備忘錄日誌個別項目資料以外，給客戶多一個的選擇。我們的目的是以較低廉的收費，提供服務，方便需要從一本契約登記備忘錄日誌，查閱大量項目作為統計或估價用途的客戶。不過，決議建議將整個附表廢除，這樣，土地註冊處將無法以較低廉的收費，向市民提供這方面的服務。

剛才陳偉業議員提到，小組委員會內有一項建議，會進一步修訂，使我們建議的主要註冊費保留現在三級制的其中兩級，即如果物業的價值在75萬元以上，註冊費改為450元；物業價值在75萬元以下的註冊費改為230元。此外，公契的註冊費也分兩種水平收取，超過十個單位樓宇的公契註冊費是2,000元，十個單位或以下樓宇的公契註冊費是1,000元。這項建議已在小組委員會中進行討論，我們也初步認為議員的建議是可行及可接納的。如果政府今天申請的加費得以通過，我們將會進一步詳細考慮上述修訂建議的影響，而我們也需要諮詢行政局。一俟得到行政局批准後，我們會把這兩項修訂的收費刊登憲報，以及提交本局審議。

我想再次提醒各位議員，本局表決通過《營運基金條例》時，所根據的原則，是基金可從費用收入中收回提供服務所需的全部成本。財務委員會亦是鑑於土地註冊處營運基金可從費用收入中，收回成本及償還貸款，才批准向土地註冊處營運基金撥出約1.607億元的貸款，作為該處改善服務的資本投資。倘現時議員使土地註冊處無法收回成本和償還貸款，市民定會感到難以理解。

此外，議員也提到，這項收費曾在規劃地政及工程事務委員會中討論，剛才議員也提到在今早已進行討論，而政府方面已提供更詳細的資料和解釋。我多謝事務委員會在今早同意我們的建議是不涉及政策更改的問題。

主席先生，最後我想說的是，這項決議會對土地註冊處營運基金的運作構成不良的影響，並有損該處的服務質素。我建議各位議員不要支持這項決議。謝謝。

田北俊議員：主席先生，我剛才聽過梁寶榮先生的發言後想他澄清一下，因為他剛才所說的話就好像跟民主派在做生意。他說民主派的建議，即從三級收費改為兩級，他可以接受，但是又說要經過行政局通過。事實上，如果我們今天通過，便即時生效。他是否和民主派做生意，如果民主派反對周梁淑怡議員的議案，令政府的收費獲得通過，他便不會分三級收費，要行政局通過改為兩級，當這幾天的事沒有發生過？

李柱銘議員：我想請田議員澄清，甚麼是和民主派做生意？

田北俊議員：主席先生，我很樂意回應，因為剛才陳偉業議員.....

PRESIDENT: Mr TIEN, please resume your seat, I permitted Mr James TIEN to make a fairly long point in seeking elucidation from the Secretary, because he had not spoken earlier. Mr TIEN, do you wish to speak or do you wish to simply seek elucidation. In future, when seeking elucidation, be brief and concise on the point that you wish to seek elucidation.

MR JAMES TIEN: Mr President,

PRESIDENT: Are you seeking elucidation or are you speaking?

MR JAMES TIEN: I am responding to Mr Martin LEE's point.

PRESIDENT: I did not permit Mr Martin LEE to speak.

MR JAMES TIEN: I see. You have not permitted him to speak, so I do not have to respond to him. Is that right?

PRESIDENT: I was asking you a question. Were you making a speech or were you seeking elucidation?

MR JAMES TIEN: I am seeking elucidation from Mr LEUNG.

規劃環境地政司：主席先生，我相信我們今天所討論的是政府呈交立法局關於《土地註冊規例》的收費增加幅度和建議。因此，議員稍後表決時，應就政府的建議作出考慮。至於生效日期，我相信就是議員的問題所在，我們根本已在文件裏說得很清楚，這項規例會由土地註冊處處長在憲報刊登一個日期，作為生效日期，而不是說今天通過後，明天便生效。日後我們還會在憲報刊登生效日期的。

PRESIDENT: I would have to reconsider whether or not to permit Members to seek elucidation after speeches. Elucidation may only be sought while a Member is speaking and if that Member is prepared to yield. And as it is now, points of elucidation have been made as a guise for making speeches and these shall not be permitted in future.

MRS SELINA CHOW: Mr President, I was hoping that, in view of the unanimous recommendation on the part of the Subcommittee endorsed by the House Committee, we were not going to debate the resolutions today. Unfortunately, I think that events have had it that we are drawn into a sort of debate.

But I would like to draw the attention of Members to the fact that the unanimous recommendation of the Subcommittee to the House Committee, which was accepted by the House Committee, was in fact that the Administration should justify in detail the proposals in the Regulations at the relevant

Legislative Council Panels. In other words, it was not just for the Panels to be looking at whether the Regulations are in line with policy or not. That is not the only purpose. The purpose is for the Administration to justify in detail the proposals in the Regulations. I submit that this had not been achieved in today's Panel meeting.

Going a little into the point about policy, I know that we have different views as to whether the Regulations are in line with policy. But I urge Members to stick to the original recommendation of the Subcommittee as well as the endorsement of the House Committee, and that is, we need more time to look at these Regulations.

Just to put to Members some of the facts contained in the Regulation, the Administration told us that there are certain decreases in fees. I am telling Members that there are items in which fees are increased from \$90 to \$210, from \$60 to \$2,000, from \$520 to \$2,000, and from \$10 to \$50. And this is by no means the minority. In fact, there are increases in the majority. So what happens is that under one of the items, that is, item 1, we have a deduction of \$29.3 million in revenue. But as a total, the net gain, as far as the Administration is concerned, is \$33.9 million. In other words, even though there is a decrease in a certain item, all the other items have increases that made up for the decrease plus some more. In fact, the result is a decrease in one item and increases in the majority of items, some of which are five-fold, four-fold. That is why, we feel in the Subcommittee, it is extremely difficult for the Subcommittee to recommend. That is why we feel that time is needed. That is why we feel that the Panel should be looking at it.

As far as the Panel is concerned, I think we know that— and here I must pay a compliment to the Land Registration Trading Fund General Manager — they (the Trading Fund) have been very professional and they have abided by certain commercial principles in administering the Fund. But the fact of the matter is, and I do not know whether this fact is clear, at the end of this financial year, they will have achieved an 14.7% return on their average net fixed assets. This surpasses the guiding 10% or whatever was quoted by Mr LEUNG earlier. They told us that it is an overall 10% increase. I have already shown Members that it is not. On average they could argue that so many items, so much money at 10%, but in some of the items, we are looking at four-fold, five-fold increases. Also I think that the Government, on top of the 14.7% return on fixed assets, is

also making interest from the fund that it has lent to the Trading Fund at prime rate. On top of that, I think that Members would probably realize — you know when you are talking about a fee which increases from \$60 to \$2,00 — there has been a restructuring of the fee in terms of the basis on which to calculate a certain fee.

Now all these things, I think, need to be looked at in much more detail. The Administration's argument, I must let Members know, for the increases is that such increases only affect professionals and not livelihood. They actually reiterated this in the Panel. It has been put to the Administration in the Subcommittee and also today in the Panel that in fact all professional fees which are expenses incurred on behalf of the client would be passed directly onto the client. And you cannot say that such increases, four-fold increases, five-fold increases would not impact on consumers. Such arguments certainly cannot stand.

What we are in fact arguing that the Administration should do is to give us more time. They can come back next week or the week after. But I think that what is clear is that there are many many question marks. In fact they have actually shifted the goal posts. The Administration can argue that whether it is to charge on the basis of a page or the entire document, or whether that has nothing to do with policy. But it is certainly a deviation from past practices.

I urge Members to give the Subcommittee or whichever Subcommittee Members choose to designate the task to enough time to look at it, so that the people who had ultimately to pay the fees— who are actually the consumers — will not be short-changed. We want more time and we think that this is important, that it should be given to the Subcommittee and to Members. I think in fairness to the House Committee, I do not think the thinking, the views or the arguments have actually been adequately put even to the House Committee. And I think that this is most unfair to Members as a whole. So I urge Members to support my motion to repeal. Thank you.

Question on the motion put.

Voice vote taken.

THE PRESIDENT said he thought the "Ayes" had it.

Mr Albert CHAN and Mr LEE Wing-tat claimed a division.

PRESIDENT: Council shall now proceed to a division.

PRESIDENT: I would like to remind Members that they are now called upon to vote on Mrs Selina CHOW's second motion on the Land Registration Fees (Amendment) Regulation 1995 and Land Registration (Amendment) Regulation 1996. Will Members please register their presence by pressing the top button and then proceed to vote by choosing one of the three buttons below?

PRESIDENT: Before I declare the result, Members may wish to check their votes. Are there any queries? The result will now be displayed.

Mr Allen LEE, Mrs Selina CHOW, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Dr LEONG Che-hung, Mr Frederick FUNG, Mr Henry TANG, Mr Howard YOUNG, Mr James TIEN, Mr CHAN Kam-lam, Mr CHAN Wing-chan, Miss CHAN Yuen-han, Mr CHEUNG Hon-chung, Mr David CHU, Mr IP Kwok-him, Dr LAW Cheung-kwok, Mr LEE Kai-ming, Mr Bruce LIU, Mr MOK Ying-fan, Mr NGAN Kam-chuen and Mr YUM Sin-ling voted for the motion.

Mr Martin LEE, Mr SZETO Wah, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Michael HO, Dr HUANG Chen-ya, Miss Emily LAU, Mr LEE Wing-tat, Mr Eric LI, Mr Fred LI, Mr James TO, Dr Samuel WONG, Dr Philip WONG, Dr YEUNG Sum, Mr WONG Wai-yin, Miss Christine LOH, Mr LEE Cheuk-yan, Mr Andrew CHENG, Dr Anthony CHEUNG, Mr CHOY Kan-pui, Mr Albert HO, Mr LAU Chin-shek, Mr LAW Chi-kwong, Mr LEUNG Yiu-chung, Mr LO Suk-ching, Miss Margaret NG, Mr TSANG Kin-shing and Dr John TSE voted against the motion.

THE PRESIDENT announced that there were 22 votes in favour of the motion and 28 votes against it. He therefore declared that the motion was negatived.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW *to move the following motion:*

"That the Lifts and Escalators (Safety) (Fees) (Amendment) Regulation 1996, published as Legal Notice No. 42 of 1996 and laid on the table of the Legislative Council on 24 January 1996, be repealed."

MRS SELINA CHOW: Mr President, I move the third motion standing in my name on the Order Paper. The motion seeks to repeal the Lifts and Escalators (Safety) (Fees) (Amendment) Regulation 1996. These Rules have been studied by the same Subcommittee mentioned in my first motion.

Members of the Subcommittee note that the Lift and Escalator Contractors Association considers that some of the proposed fees are high but can be justified with improved productivity. In general, the proposed fees are acceptable. However, some Members are concerned that the proposed fee increases on the contractors will eventually be transferred to the consumers and that there is cross-subsidization in the proposed fees. Members decide, by a majority vote, to repeal the Regulation.

Mr President, I beg to move.

Question on the motion proposed.

黃震遐議員致辭：主席先生，這收費規例是向承建商和工程師收取註冊費用，而這項收費只是在註冊期間繳交，以後無須每年支付。因此，我們認為這項規例對民生或通脹其實沒有甚麼影響，而加幅亦不可以作為承建商對客戶年年加費的藉口，所以我們反對周梁淑怡議員的議案。

規劃環境地政司致辭：主席先生，我衷心希望本局各位議員會對廢除《1996年升降機及自動梯（安全）（費用）（修訂）規例》的議案投反對票。

這項規例旨在調整兩類費用，第一類是升降機工程師、自動梯工程師、

升降機承建商及自動梯承建商的註冊費用；第二類是領取升降機及自動梯檢查及測試證書的費用。

相信各位議員都知道，升降機或自動梯工程師或承建商，只須辦理註冊一次，把他們的名字列入有關的註冊紀錄冊內，換句話說，註冊費只是他們啟業所需的一筆費用。升降機或自動梯工程師註冊費用的增幅，其實是與通脹率相符，亦合乎行之已久的“用者自付”及“十足收回成本”原則。至於承建商註冊費用，增幅無可否認是高於通脹，但這是有充分理由的。政府為確保申請註冊的人士符合安全規定，需要到有關工場視察，因此是項增幅須考慮到進行視察工場符合安全與否的費用。與業內人士的經營成本比較，我們建議的增幅極微，肯定不會對任何人構成負擔。增幅對整體通貨膨脹的影響微不足道，亦不涉及民生。對於正常運作的升降機或自動梯來說，唯一要定期繳付的費用是根據規例第26(1)(b)條簽發安全證書的費用，這項收費的建議增幅是由210元增至220元，即每年只須多繳交10元。

我還要補充一點，我們曾諮詢業內組織及專業團體，他們完全沒有反對建議的費用調整。廢除修訂規例，亦即表示我們要使用納稅人的金錢，來津貼那些在業內營利而並不需要政府資助的承建商。因此，最後，我要再次促請各位議員投票反對這項議案。

Question on the motion put.

Voice vote taken.

THE PRESIDENT said he thought the "Noes" had it.

Mr James TIEN claimed a division.

PRESIDENT: Council shall now proceed to a division.

PRESIDENT: I would like to remind Members that they are now called upon to vote on Mrs CHOW's third motion to repeal the Lifts and Escalators (Safety) (Fees) (Amendment) Regulation 1996. Will Members please register their presence by pressing the top button and then proceed to vote by choosing one of

the three buttons below?

PRESIDENT: Before I declare the result, Members may wish to check their votes. Are there any queries? The result will now be displayed.

Mrs Selina CHOW, Mr Edward HO, Mr Ronald ARCULLI, Mrs Miriam LAU, Mr Henry TANG, Mr Howard YOUNG and Mr James TIEN voted for the motion.

Mr Martin LEE, Mr SZETO Wah, Dr LEONG Che-hung, Mr Albert CHAN, Mr CHEUNG Man-kwong, Mr Frederick FUNG, Mr Michael HO, Dr HUANG Chen-ya, Miss Emily LAU, Mr LEE Wing-tat, Mr Eric LI, Mr Fred LI, Mr James TO, Dr Samuel WONG, Dr YEUNG Sum, Mr WONG Wai-yin, Miss Christine LOH, Mr LEE Cheuk-yan, Mr CHAN Kam-lam, Mr CHAN Wing-chan, Miss CHAN Yuen-han, Mr Andrew CHENG, Dr Anthony CHEUNG, Mr CHEUNG Hon-chung, Mr CHOY Kan-pui, Mr David CHU, Mr Albert HO, Mr IP Kwok-him, Mr LAU Chin-shek, Dr LAW Cheung-kwok, Mr LAW Chi-kwong, Mr LEE Kai-ming, Mr LEUNG Yiu-chung, Mr Bruce LIU, Mr LO Suk-ching, Mr MOK Ying-fan, Miss Margaret NG, Mr NGAN Kam-chuen, Mr TSANG Kin-shing, Dr John TSE and Mr YUM Sin-ling voted against the motion.

THE PRESIDENT announced that there were seven votes in favour of the motion and 41 votes against it. He therefore declared that the motion was negatived.

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MRS SELINA CHOW to move the following motion:

"That the Minor Employment Claims Adjudication Board (Fees) (Amendment) Rules 1996, published as Legal Notice No. 67 of 1996 and laid on the table of the Legislative Council on 7 February 1996, be repealed."

MRS SELINA CHOW: Mr President, I move the fourth motion standing in my name on the Order Paper. The motion seeks to repeal the Minor Employment Claims Adjudication Board (Fees) (Amendment) Rules 1996. This set of Rules, which was tabled in the Legislative Council on 7 February 1996, have been studied by the same Subcommittee referred to in my first motion.

The Minor Employment Claims Adjudication Board was established in December 1994 and the proposed fee increase of about 10%, with an estimated additional revenue of \$6,000 per annum, is on the basis of the Government Consumption Expenditure Deflator movement from 1994-95 to 1995-96, pending a detailed costing review in the next financial year. The Subcommittee queries whether the "full-cost recovery" principle should be strictly observed in these minor employment claims not exceeding \$5,000 per claimant, mostly lodged by small employees. Members are of the opinion that this should more be a service for the public; and unanimously decide to repeal the Regulation.

Mr President, I beg to move.

Question on the motion proposed.

黃震遐議員致辭：主席先生，周梁淑怡議員會很高興我們民主黨支持她這項議案。《小額薪酬索償仲裁處（費用）（修訂）規則》顧名思義是僱員為了索取小額薪酬而須往仲裁處。我們認為這類仲裁處應為市民提供服務。僱員因為被欠通知或假期等折算的薪酬而來仲裁處，他們其實已經是受害者，政府不表同情，還藉收回成本名義，使受害者少收一筆金錢，實在令人難以接受。因此，我們支持周梁淑怡議員的議案。

教育統籌司致辭：主席先生，小額薪酬索償仲裁處在一九九四年十二月成立，為涉及五名或以下每人索償的款項不超過5,000元的小額薪酬索償人，提供快捷和廉宜的仲裁服務。截至一九九六年二月二十九日，仲裁處共審裁1 890宗個案。

《小額薪酬索償仲裁處（費用）規則》訂明，仲裁處進行的法律程序須收費。費用自實施以來一直未有調整。

政府的原則是必須經常檢討收費，因此，我們在一九九六年二月七日，將《1996年小額薪酬索償仲裁處（費用）（修訂）規則》提交立法局省覽，

建議將有關收費提高10%。

我們估計現時由五元至50元的收費，只能收回總成本的很小部分。建議的收費加幅，由五角至五元不等，亦只不過是維持現行收費的實際價值。

我必須強調的是，《小額薪酬索償仲裁處（費用）規則》第3條訂明，案務主任可減收、發還或延遲收取費用。索償人可以經濟困難為理由，申請豁免繳交費用。到目前為止，仲裁處並未接到任何這類申請。

建議中的增加收費絕對不會影響市民大眾的生活，亦不會對通貨膨脹帶來絲毫的影響。

我謹請本局議員否決這項議案。

謝謝主席先生。

Question on the motion put and agreed to.

ADJOURNMENT AND NEXT SITTING

PRESIDENT: In accordance with Standing Orders, I now adjourn the Council until 2.30 pm on Wednesday, 13 March 1996.

Adjourned accordingly at twenty-seven minutes past Seven o'clock.