



# DAILY INFORMATION BULLETIN

Wednesday, February 28, 1973

(Part II)

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SURPLUS OF OVER \$300 MILLION FORECAST FOR 1973/74

Biggest Share Of Revenue From Direct Taxes

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A surplus of more than \$300 million is forecast in the draft Estimates of Revenue and Expenditure for the 1973-74 financial year.

The total revenue for the coming financial year is estimated at \$4,722 million, an increase of \$1,018 million over the original estimate for the current year.

The estimated revenue as compared with the estimated expenditure of \$4,409 million, indicates a surplus of \$313 million for 1973-74.

The largest share of the Government's revenue in 1973-74 will come from direct taxation on earnings and profits which is expected to raise \$1,265 million or about 27 per cent of the total.

This represents an increase of \$253 million on the original estimate of \$1,012 million for 1972-73.

Other major items in the Revenue Estimates are listed below with the original estimates for 1972-73 given in brackets.

* Duties on hydrocarbon oils, liquor, tobacco and table waters	... \$490 million (\$457 million)
* Stamp Duties	... \$460 million (\$190 million)
* Rates	... \$336 million (\$384 million)
* Land Sales	... \$323 million (\$223 million)
* Water Revenue	... \$187 million (\$167 million)
* Post Office Revenue	... \$174 million (\$168 million)
* Airport	... \$160 million (\$116 million)

/Interest .....

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Interest on Hong Kong's investments - the surpluses of previous years - is expected to bring in \$248 million, an increase of more than \$26 million over the original estimate for the current year.

The balance making up the 1973-74 estimated total revenue comes from many different sources, including: Licences and Franchises at \$220 million; Fees of Court or Office, which covers mainly payments for services provided by Government departments, at \$524 million; Motor Vehicles Taxes at \$55 million; the Kowloon-Canton Railway at \$24 million; and contributions towards particular projects (such as schools, clinics, playgrounds and swimming pools) at \$10 million.

Analysis of the figures in the draft Estimates of Revenue and Expenditure shows that revenue sources are listed under three main groups.

(Note: see Appendix IV of draft Estimates page 848).

They are:

- \* Direct Taxes ... \$1,290 million or 27 per cent  
of total revenue
- \* Indirect Taxes ... \$1,594 million or 34 per cent  
of total revenue
- \* Other Revenue, including ...  
Reimbursements, Contributions  
and Loan Repayments ... \$1,838 million or 39 per cent  
of total revenue.

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INCREASED SPENDING ON SOCIAL SERVICES

Total Expenditure In 1973-74 Estimated At \$4,409 Million

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Big increases in spending on education, housing and other social services for the people of Hong Kong are shown in the 1973-74 draft Estimates of Revenue and Expenditure tabled in the Legislative Council today.

Compared with the 1972-73 financial year, expenditure on the Social Services group shows an increase of over 24 per cent.

At \$1,651 million, it accounts for the biggest portion (38 per cent) of the total expenditure and includes:

- \* Education at \$817 million (\$683 million)
- \* Medical and Health at \$442 million (\$375 million)
- \* Housing at \$278 million (\$192 million)
- \* Social Welfare at \$102 million (\$67 million)
- \* Labour at \$12 million (\$11 million)

(Note: The figure given in brackets represents the original estimated expenditure for 1972-73).

The total spending for the next financial year amounts to a record \$4,409 million. This represents an increase of about 20 per cent as compared with the current year and is more than three times the actual expenditure ten years ago.

This money will also be spent on four main groups of services other than Social Services.

Compared with 1972-73, a 22 per cent increase is shown in the spending on Community Services, the second largest amount after Social Services.

/This .....

This group, at \$1,206 million or 27 per cent of total expenditure, includes:

- \* Water supply at \$450 million (\$439 million)
- \* Transport, roads and civil engineering at \$486 million (\$304 million)
- \* Amenities and related services at \$208 million (\$195 million)
- \* Fire Services at \$62 million (\$50 million)

Spending on General Services, the third largest group, accounts for \$706 million or 16 per cent of the total expenditure. This group includes:

- \* \$385 million for law and order (\$345 million)
- \* \$126 million for defence (\$133 million)
- \* \$98 million for administration (\$78 million)
- \* \$72 million for revenue collection and financial control (\$59 million)
- \* \$25 million for public relations (\$21 million)

Economic Services, at \$431 million, accounts for 10 per cent of the total expenditure. This group includes:

- \* \$182 million for communications (\$144 million)
- \* \$112 million for airport and harbour services (\$107 million)
- \* \$95 million for other economic services (\$83 million)
- \* \$27 million for primary products (\$26 million)
- \* \$15 million for commerce and industry (\$14 million)

/Common .....

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Common Supporting Services amounts to \$220 million, which is 5 per cent of the total expenditure. This includes:

- \* \$153 million for the Architectural and Electrical and Mechanical Engineering Offices of the Public Works Department (\$139 million)
- \* \$31 million for Government launches and the Government Dockyard (\$32 million)
- \* \$21 million for Government printing (\$17 million)
- \* \$15 million for Government supplies (\$14 million)

Other expenditure which cannot be allocated to any of these groups amounts to \$196 million or 4 per cent of the total expenditure and includes:

- \* Pensions and gratuities at \$100 million (\$82 million)
- \* Government quarters at \$58 million (\$24 million)
- \* Passages, telephones, telegrams, etc., at \$34 million (\$22 million)
- \* Public debt repayments at \$4 million (\$2 million)

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MORE MONEY FOR ALL SERVICES OVER NEXT FOUR YEARS

Spending For 1973-74 Shows Three-Fold Rise Over Past 10 Years

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More public funds are to be channelled into community, social, economic, general and supporting services over the next four fiscal years, according to future Budget forecasts contained in the 1973-74 draft Estimates.

In the coming financial year, total estimated spending will pass the \$4,000 million mark for the first time and it is envisaged that the \$5,000 million mark will be exceeded a year later.

The estimated expenditure for 1973-74 is \$4,409 million. This represents an increase of about 300 per cent over the past ten years.

For 1974-75, a \$5,080 million expenditure bill is forecast - up \$671 million over the 1973-74 estimate. The forecast for 1975-76 is \$5,459 million and that for 1976-77 is put at \$5,551 million - \$1,142 million more than the estimate for the coming financial year.

The forecast is based on Government departments' forecast of expenditure adjusted, where necessary, in the light of other factors affecting the probable rate of development and the financial resources which are likely to become available.

The forecast is divided into recurrent expenditure and capital expenditure as follows:

Recurrent Expenditure

1973-74 .....	\$3,039 million
1974-75 .....	\$3,447 million
1975-76 .....	\$3,749 million
1976-77 .....	\$4,072 million

/Capital .....

Capital Expenditure

1973-74 .....	\$1,369 million
1974-75 .....	\$1,632 million
1975-76 .....	\$1,710 million
1976-77 .....	\$1,479 million

Capital expenditure in the three years of the forecast is likely to be substantially higher as more items are added to the Public Works Programme.

Total annual expenditure for the 15 years from 1962-63 to 1976-77 is as follows:-

1962-63 .....	\$1,113 million
1963-64 .....	\$1,295 million
1964-65 .....	\$1,441 million
1965-66 .....	\$1,769 million
1966-67 .....	\$1,806 million
1967-68 .....	\$1,766 million
1968-69 .....	\$1,873 million
1969-70 .....	\$2,032 million
1970-71 .....	\$2,452 million
1971-72 .....	\$2,901 million
1972-73 .....	\$3,866 million
1973-74 .....	\$4,409 million
1974-75 .....	\$5,080 million
1975-76 .....	\$5,459 million
1976-77 .....	\$5,551 million

Copies of the draft Estimates are on sale, at \$60 each, at the Government Publications Centre at the Star Ferry Concourse.

NEED FOR WIDER APPRECIATION OF CHILD DEVELOPMENT

Views of Expert On Developmental Paediatrics

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There is a basic need in Hong Kong for a much wider appreciation of child development, and the realisation that the problems of handicapped children require the attention of professional services and careful scientific analysis.

Dr. Kenneth L. Holt, Director of the Wolfson Centre and the Department of Developmental Paediatrics, Institute of Child Health, University of London, said this today before returning to Britain at the end of a four-week stay.

He came here under the auspices of the British Council and at the invitation of Dr. G.H. Choa, Director of Medical and Health Services, to advise the Medical and Health Department on matters concerned with the assessment of physically and mentally handicapped children.

During his stay, he visited many institutions provided for such children, and held discussions with experts at the Social Welfare, Education, and Medical and Health Departments.

In addition, he saw a number of individuals working with the disabled young in the voluntary sector.

"Everyone has been exceptionally helpful," Dr. Holt said. "I am impressed with the progress achieved by the Government and the voluntary agencies during a decade of great expansion. But I am also impressed by the developments which seem to be still required.

/"A sympathetic .....

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"A sympathetic approach to the problem of handicapped children, by itself, is not sufficient."

In his view, the services had reached a stage where they were beginning to require a comprehensive programme for early identification of particular handicaps so that treatment could begin early to enable the severe effects of disability to be avoided.

"I think there is a need to set up child development assessment services, and this will require the training of staff in order to achieve a high standard of work," he said.

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SEMINAR ON SOCIAL SERVICES IN NGAU TAU KOK

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Social services in the Ngau Tau Kok district will be discussed at a seminar at the Caritas Ngau Tau Kok Centre on Friday and Saturday (March 2 and 3).

The seminar has been jointly organised by the Ngau Tau Kok Estate Community Office of the Social Welfare Department, the Kwun Tong City District Office and the Caritas Ngau Tau Kok Centre.

The first session will take place between 2 and 5 p.m. on Friday when there will be a panel discussion on future development in the district, public assistance and emergency relief, child care, family planning, community nursing and the rehabilitation of drug addicts and mentally handicapped children.

Saturday's session, from 9:30 a.m. to 12 noon, will feature a panel discussion on social work in the school, youth and community fields.

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Note to Editors: You are invited to send a representative to cover this seminar.

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THREE BILLS PASSED INTO LAW

Eight Sessional Papers Tabled In Legco

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Three bills -- the Urban Council Bill 1973, the Stock Exchange Control Bill 1973, and the Public Health and Urban Services (Amendment) Bill 1973 -- completed their Committee Stage and third readings and were passed into law at this afternoon's Legislative Council meeting.

The Housing Bill 1973 was read the second time and debate on it was resumed.

Eight sessional papers were tabled in the Council. They are: Hong Kong 1973: A Review of 1972, the Annual Report of the Li Po Chun Charitable Trust Fund for the period September 1, 1971 to August 31, 1972, the Report of University and Polytechnic Grants Committee of Hong Kong July 1970 to June 1972, the Annual Summary by the Director of Education for the year 1971/72, the Annual Report by the Director of public Works for the year 1971/72, the Report of the Establishment Sub-Committee of Finance Committee for the year 1972/73, the Report of the Public Works Sub-Committee of Finance Committee (1972 Reviews leading to the 1973/74 Programme), and the Draft Estimates of Revenue and Expenditure with Explanatory Memoranda for the year ending March 31, 1974.

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