



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

WEDNESDAY, JUNE 8, 1994

CONTENTS

PAGE NO.

PROPERTY PRICE AND HOUSING SUPPLY MEASURES ANNOUNCED	1
GOVT TO MONITOR MEASURES ON PROPERTY PRICES	3
250 APPLICATIONS SELECTED FOR ENTRY OF CHINA PROFESSIONALS ...	4
1992 SURVEY OF BUILDING, CONSTRUCTION AND REAL ESTATE SECTORS	5
SURVEY STUDIES EXTERNAL INVESTMENTS IN NON-MANUFACTURING SECTORS	8
MASSIVE RECLAMATION IN TSEUNG KWAN O STARTS NEXT WEEK	9
CUSTOMS AIRPORT CARGO CUSTOMER LIAISON GROUP	10
CLOSURE OF YAU MA TEI UNAUTHORISED STRUCTURES	10
HONG KONG MONETARY AUTHORITY MONEY MARKET OPERATIONS	11

PROPERTY PRICE AND HOUSING SUPPLY MEASURES ANNOUNCED

* * * * *

THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TODAY (WEDNESDAY) ANNOUNCED A PACKAGE OF MEASURES TO DAMPEN PROPERTY SPECULATION, TO INCREASE HOUSING AND LAND SUPPLY AND TO STRENGTHEN CONSUMER PROTECTION AND THE ADMINISTRATION OF ITS HOUSING POLICY.

THE MEASURES ARE LARGELY BASED ON THE RECOMMENDATIONS OF THE TASK FORCE ON LAND SUPPLY AND PROPERTY PRICES WHICH HAD CONSULTED WIDELY IN THE COMMUNITY AND THE INDUSTRY AND TAKEN INTO ACCOUNT THE 10 PER CENT - 15 PER CENT FALL IN PRICES SINCE MARCH.

MR EASON DESCRIBED THE MEASURES AS A BALANCED PACKAGE TO ADDRESS THE CONCERN OF THE COMMUNITY WITHOUT DAMAGING THE ECONOMY.

HE EMPHASISED THAT THE GOVERNMENT WOULD CONSIDER THE NEED FOR TOUGHER MEASURES INCLUDING PUNITIVE STAMP DUTY ON SHORT-TERM RESALE OF PROPERTY AND PENAL RATING ON VACANT PREMISES IF EXCESSIVE SPECULATION CONTINUED.

THE MEASURES ANNOUNCED TODAY ARE:

DAMPENING SPECULATION

- * CUT THE QUOTA FOR PRIVATE SALES OF UNCOMPLETED FLATS FROM 50 PER CENT TO 10 PER CENT TO RELEASE UP TO 10,000 MORE PRIVATE DOMESTIC FLATS DIRECTLY TO HOME BUYERS EACH YEAR;
- * PROHIBIT RESALE OF UNCOMPLETED FLATS BEFORE ASSIGNMENT. MAKING BUYERS HOLD ONTO PROPERTY LONGER WILL INCREASE THE RISK OF SPECULATION;
- * RESTRICT THE FORWARD SALES TO NOT MORE THAN NINE MONTHS BEFORE ASSIGNMENT TO REDUCE THE SCOPE FOR SPECULATION AND CIRCUMVENTION OF THE BAN ON RESALE;
- * INCREASE THE INITIAL DEPOSIT FROM 5 PER CENT TO 10 PER CENT TO INCREASE THE COST OF SPECULATION;
- * RAISE THE AMOUNT OF FORFEITURE FROM 3 PER CENT TO 5 PER CENT OF THE PURCHASE PRICE IF A BUYER FAILS TO COMPLETE THE DEAL OR ENTERS INTO A CANCELLATION AGREEMENT WITH THE DEVELOPER. THIS ALSO AIMS TO DISCOURAGE SPECULATION AND SUB-SELLING;
- * DISALLOW FORWARD SALE OF CAR PARKING SPACES UNLESS THEY ARE SOLD WITH RESIDENTIAL UNITS;
- * BRING REDEVELOPMENT PROJECTS UNDER CONTROL OF THE CONSENT SCHEME WHICH GOVERNS THE PRE-SALE OF UNCOMPLETED FLATS AND OF THE BUILDING COVENANTS WHICH SPECIFY THE COMPLETION DATES.

HOUSING SUPPLY

- * INCREASE OVERALL SUPPLY FROM NEW LAND BY 45,000 - 60,000 FLATS IN THE NEXT SIX YEARS IN BOTH THE PUBLIC AND PRIVATE SECTORS TO MEET THE GROWING DEMAND FROM A LARGER AND MORE AFFLUENT POPULATION. OF THESE, AT LEAST 15,000 WILL BE FROM PRIVATE DEVELOPMENT, 20,000 FROM PUBLIC HOUSING (ON TOP OF HOUSING AUTHORITY'S PROPOSAL TO PRODUCE 13,000 UNITS FROM ITS IN-FILL DEVELOPMENT) AND 10,000 FROM EXPANSION OF THE SANDWICH CLASS HOUSING SCHEME. IN ADDITION, THE GOVERNMENT WILL CONTINUE TO IDENTIFY MORE SITES TO MEET THE HOUSING AUTHORITY'S OVERALL PRODUCTION TARGETS.
- * EXPEDITE REDEVELOPMENT OF OLD BUILDINGS AND UNDER-UTILISED SITES WHICH WILL FURTHER INCREASE HOUSING SUPPLY;
- * WELCOME THE POSSIBLE SUPPLY OF 24,000 FLATS FROM THE AIRPORT RAILWAY LAND, SUBJECT TO AGREEMENT OVER AIRPORT FINANCING WITH THE CHINESE SIDE AND FROM MILITARY SITES WHICH MAY BECOME AVAILABLE BEFORE 1997.

LAND SUPPLY

- * INCREASE LAND SUPPLY BY UP TO 15 HECTARES IN 1994/95 AND ANOTHER 55 HECTARES BEFORE 1997/98, BOTH SUBJECT TO AGREEMENT BY THE LAND COMMISSION, TO MEET HOUSING COMMITMENT;
- * ESTABLISH A LAND RESERVE UP TO 50 HECTARES TO ENABLE THE GOVERNMENT TO RESPOND MORE FLEXIBLY AND EFFECTIVELY TO DEMAND ABOVE THE CURRENT PROJECTIONS;
- * SPEED UP INFRASTRUCTURAL DEVELOPMENT SO AS TO BRING FORWARD RESIDENTIAL DEVELOPMENT OR REDEVELOPMENT.

IN ADDITION, THE GOVERNMENT HAS ALSO ACCEPTED THE TASK FORCE'S RECOMMENDATIONS TO STRENGTHEN CONSUMER PROTECTION BY IMPROVING INFORMATION ON PRE-SALE FLATS AND FUTURE SUPPLY, BY SPECIFYING THE DATE OF COMPLETION IN THE SALE AND PURCHASE AGREEMENT AS THE DATE OF ASSIGNMENT TO GIVE BUYERS GREATER CERTAINTY OVER THE DATE THAT THEY CAN TAKE POSSESSION OF THEIR PROPERTY AND BY PURSUING THE LICENSING AND REGULATION OF REAL ESTATE AGENTS.

THE GOVERNMENT WILL ALSO APPOINT A SECRETARY FOR HOUSING WITH OVERALL RESPONSIBILITY FOR THE PLANNING, DEVELOPMENT CO-ORDINATION AND MONITORING OF BOTH PUBLIC AND PRIVATE HOUSING POLICIES AND PROGRAMMES.

OTHER ADMINISTRATIVE MEASURES INCLUDE THE FORMATION OF A HIGH-LEVEL PROJECT ACTION TEAM TO SPEED UP THE PROCESSING OF MAJOR DEVELOPMENT PROJECTS, IMPROVEMENT OF THE PLANNING AND DEVELOPMENT PROCESSES AND MONITORING SYSTEMS TO ENSURE GREATER CERTAINTY OF HOUSING SUPPLY; APPOINTMENT OF A THREE-MEMBER TEAM FROM THE COMMUNITY TO REVIEW THE CONDUCT OF LAND AUCTIONS AND ESTABLISHMENT OF A COMMITTEE UNDER THE LAND AND BUILDING ADVISORY COMMITTEE TO MONITOR THE PROGRESS OF IMPLEMENTING THE ABOVE MEASURES.

/MR EASON

MR EASON SAID THE MAIN PRINCIPLES WHICH HAD UNDERPINNED THE TASK FORCE'S STUDY ARE:

- * THE CURRENT PROBLEM IS RELATED MORE TO MEETING THE HOUSING ASPIRATION OF A MORE AFFLUENT COMMUNITY THAN TO INADEQUACY OF SHELTER;
- * OWING TO ITS INEXTRICABLY LINK TO THE BANKING SECTOR AND THE STOCK MARKET, THE RISK OF THE MULTIPLIER EFFECT OF A SHARP DOWNTURN IN THE PROPERTY MARKET SHOULD NOT BE UNDERESTIMATED;
- * THE PROPERTY MARKET IS SENSITIVE TO FACTORS EXTRANEOUS TO HONG KONG AND BEYOND GOVERNMENT'S CONTROL; AND THE OBJECTIVE OF ANY GOVERNMENT INTERVENTION SHOULD BE TO ENSURE FAIR COMPETITION FOR ALL ON A LEVEL PLAYING FIELD;
- * PROPERTY PRICES HAVE COME DOWN BY 10 PER CENT - 15 PER CENT SINCE MARCH; AND POTENTIAL HOME BUYERS SHOULD MAKE A SENSIBLE ASSESSMENT OF FUTURE SUPPLY AND LIKELY PRICE RESPONSE IN THE LIGHT OF INCREASE IN BOTH LAND AND HOUSING SUPPLY.

MR EASON SAID: "AS A RESPONSIVE AND RESPONSIBLE GOVERNMENT, WE MUST ADDRESS PUBLIC CONCERN ABOUT PROPERTY PRICES, BUT AT THE SAME TIME ADOPT MEASURES WHICH WILL NOT DAMAGE THE ECONOMY.

"FINDING THE RIGHT BALANCE BETWEEN COMPETING INTERESTS IN THE COMMUNITY, DETERMINING THE DOSAGE WHICH WILL MODERATE PRICES BUT NOT CAUSE A DRASTIC DOWNTURN, AND PREDICTING THE REACTIONS OF A LARGELY SENTIMENT-DRIVEN AND VOLATILE MARKET IS A TALL ORDER.

"THE RISKS INVOLVED CALL FOR A PRUDENT AND INCREMENTAL APPROACH," HE SAID.

THE TASK FORCE'S REPORT AND A LEAFLET OUTLINING THE MEASURES TO DAMPEN SPECULATION AND TO INCREASE HOUSING AND LAND SUPPLY WILL BE AVAILABLE FOR COLLECTION FROM DISTRICT OFFICES AND THE GOVERNMENT PUBLICATIONS CENTRE LATER THIS AFTERNOON.

- - - - 0 - - - -

GOVT TO MONITOR MEASURES ON PROPERTY PRICES

* * * * *

THE GOVERNMENT WILL MONITOR THE IMPACT OF THE NEWLY ANNOUNCED MEASURES ON PROPERTY PRICES AND HOUSING SUPPLY AND WILL COME BACK WITH FURTHER MEASURES IF NECESSARY, THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, SAID THIS (WEDNESDAY) AFTERNOON.

SPEAKING TO REPORTERS, SIR HAMISH SAID THE GOVERNMENT STOOD READY TO FINE TUNE MATTERS IF THAT PROVED TO BE NECESSARY.

HE SAID THE PACKAGE WAS AIMED AT FOCUSING MOSTLY ON POSITIVE MEASURES OF INCREASING THE SUPPLY.

/"BUT IT

"BUT IT ALSO, IN THE MORE IMMEDIATE FUTURE, DEALS WITH SPECULATION. IT CONTAINS A NUMBER OF MEASURES WHICH WE THINK WOULD HELP TO REDUCE SPECULATION, AND IN THAT SENSE PUT THE MARKET ON A BETTER BASE AND TAKE SOME OF THE HEAT OUT OF THE MARKET," HE SAID.

IN RESPONSE TO COMMENTS THAT THE PACKAGE WAS TOO MILD, SIR HAMISH SAID THIS WAS AN AREA WHERE THERE WERE A NUMBER OF DIFFERENT INTERESTS INVOLVED.

"SOME WANT THE MARKET TO GO DOWN, SOME WANT IT TO GO UP, SOME WANT IT TO BE STABLE.

"BUT I BELIEVE THE PACKAGE IS A VERY GOOD ONE. I BELIEVE THOSE MEASURES ARE VERY SIGNIFICANT," HE SAID.

REFERRING TO THE MOTION DEBATE ON RATES AT THE LEGISLATIVE COUNCIL TODAY, SIR HAMISH SAID THE MOTION WAS A MISGUIDED ONE.

"FIRST OF ALL, IT IS VERY UNUSUAL, QUITE RIGHTLY, TO HAVE A MOTION REPROVING THE GOVERNOR, TO USE THE WORDS OF THE MOTION, AND IT WILL CEASE TO HAVE VERY MUCH IMPACT IF SUCH A MOTION IS USED FOR AN ISSUE WHICH IS FRANKLY NOT A MAJOR POLICY OR A MAJOR CONSTITUTIONAL ISSUE.

"SECONDLY, I THINK THAT THE ARGUMENT ON WHICH THE MOTION RESTS ABOUT OUR CONSTITUTION IS ALSO QUITE MISLEADING AND OVER SIMPLIFIED.

"THE FACT IS THAT NEITHER THE LEGISLATURE NOR THE EXECUTIVE IS A RUBBER STAMP. THE SYSTEM ONLY WORKS IF YOU HAVE CHECKS AND BALANCES, IF YOU HAVE A BALANCE OF POWER BETWEEN THE TWO.

"WE ARE NOT ASKING LEGCO TO BE A RUBBER STAMP, BUT THEY SHOULD NOT ASK US TO BE A RUBBER STAMP EITHER," HE SAID.

- - - - 0 - - - -

250 APPLICATIONS SELECTED FOR ENTRY OF CHINA PROFESSIONALS

* * * * *

THE IMMIGRATION DEPARTMENT ANNOUNCED TODAY (WEDNESDAY) THE RESULTS OF THE FIRST BALLOT EXERCISE OF APPLICATIONS FOR ENTRY OF PROFESSIONALS AND MANAGERS FROM CHINA FOR EMPLOYMENT IN HONG KONG.

"DURING THE FIRST PHASE ENDING MAY 31 THIS YEAR, A TOTAL OF 2,151 APPLICATIONS WERE RECEIVED," A SPOKESMAN FOR THE DEPARTMENT SAID.

"MORE THAN HALF OF THE APPLICATIONS ARE FROM THE TRADING, CONSTRUCTION AND FINANCE SECTORS AND THE MOST POPULAR JOBS ARE ENGINEERS, ADMINISTRATORS AND MARKETING EXECUTIVES," HE ADDED.

IN THE BALLOT EXERCISE, 250 APPLICATIONS WERE RANDOMLY SELECTED BY COMPUTER FROM THE 2,000 ODD APPLICATIONS RECEIVED.

"SUCCESSFUL EMPLOYERS WILL BE NOTIFIED IN WRITING INDIVIDUALLY," THE SPOKESMAN SAID.

"UNSUCCESSFUL APPLICATIONS IN THE BALLOT EXERCISE WILL CONTINUE TO REMAIN ELIGIBLE FOR SUBSEQUENT EXERCISES TO BE HELD IN SEPTEMBER 1994, DECEMBER 1994 AND MARCH 1995. EMPLOYERS SHOULD NOT SUBMIT DOUBLE APPLICATIONS FOR THE SAME VACANCY. OVERBIDDING WILL RESULT IN REFUSAL OF THE APPLICATIONS," HE ADDED.

FOR ENQUIRIES, EMPLOYERS MAY TELEPHONE 824 6111.

- - - - 0 - - - -

1992 SURVEY OF BUILDING, CONSTRUCTION AND REAL ESTATE SECTORS
* * * * *

THE GROSS OUTPUT PERFORMED BY CONSTRUCTION ESTABLISHMENTS DURING 1992 AMOUNTED TO \$123.3 BILLION, REPRESENTING AN INCREASE OF 10% OVER 1991.

THIS COMPRISED A GROSS VALUE OF \$120.5 BILLION FOR THE CONSTRUCTION WORK PERFORMED AND AN INCOME OF \$2.8 BILLION FROM OTHER SOURCES.

NET OF TOTAL OPERATING EXPENDITURE, THE GROSS OPERATING SURPLUS AMOUNTED TO 6.0 % OF THE GROSS OUTPUT IN 1992. THIS WAS 0.4 PERCENTAGE POINT LOWER THAN THE CORRESPONDING FIGURE OF 6.4% FOR 1991.

THESE ARE SOME OF THE MAJOR FINDINGS OF THE 1992 SURVEY OF BUILDING, CONSTRUCTION AND REAL ESTATE SECTORS, RELEASED TODAY (WEDNESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT. THE SURVEY WAS CONDUCTED FROM APRIL 1993 TO EARLY 1994.

ALL VALUE FIGURES HERE ARE EXPRESSED IN CURRENT PRICE TERMS. THE PERCENTAGE CHANGES DERIVED FROM THESE FIGURES HAVE NOT BEEN ADJUSTED FOR PRICE INCREASES. CAUTION SHOULD THEREFORE BE TAKEN IN INTERPRETING THE SURVEY RESULTS.

IN TERMS OF PERCENTAGE OF GROSS OUTPUT, THE OPERATING EXPENDITURE INCURRED BY CONSTRUCTION ESTABLISHMENTS AMOUNTED TO 94% IN 1992.

THIS COMPRISED 24.3% FOR COMPENSATION OF EMPLOYEES AND PAYMENTS TO LABOUR-ONLY SUB-CONTRACTORS; 23.2% FOR CONSUMPTION OF MATERIALS, SUPPLIES, AND MAINTENANCE SERVICES; 39.7% FOR PAYMENTS FOR FEE SUB-CONTRACT WORK; AND 6.8% FOR OTHER MISCELLANEOUS OPERATING EXPENSES.

COMPARED WITH 1991, THESE PERCENTAGES REMAINED GENERALLY UNCHANGED EXCEPT THAT THE PERCENTAGE OF PAYMENTS FOR FEE SUB-CONTRACT WORK INCREASED BY 1.8 PERCENTAGE POINTS AND THAT FOR CONSUMPTION OF MATERIALS AND SUPPLIES DECREASED BY THE SAME AMOUNT.

THE VALUE ADDED OF THESE ESTABLISHMENTS, WHICH IS A MEASURE OF THE CONSTRUCTION INDUSTRY'S CONTRIBUTION TO HONG KONG'S GROSS DOMESTIC PRODUCT, AMOUNTED TO \$37.4 BILLION IN 1992. THIS REPRESENTED AN INCREASE OF 8.1% OVER 1991.

/THE VALUE

THE VALUE ADDED CONTENT OF THE GROSS OUTPUT PERFORMED BY THESE ESTABLISHMENTS AMOUNTED TO 30.3%, COMPRISING 24.3% FOR COMPENSATION OF EMPLOYEES AND PAYMENTS TO LABOUR-ONLY SUB-CONTRACTORS AND 6.0% FOR GROSS OPERATING SURPLUS.

COMPARED WITH 1991, THE FORMER PROPORTION REMAINED UNCHANGED AND THE LATTER DECREASED BY 0.4 PERCENTAGE POINT.

THE SURVEY RESULTS ALSO SHOWED THAT 15,200 CONSTRUCTION ESTABLISHMENTS OPERATED IN 1992.

SOME 39.6% OF THE CONSTRUCTION ESTABLISHMENTS WERE ENGAGED IN DECORATION, REPAIR AND MAINTENANCE OF ERECTED BUILDINGS AND STRUCTURES. THEY ACCOUNTED FOR \$14.8 BILLION OR 12.0% OF THE GROSS OUTPUT.

ON THE OTHER HAND, THE GENERAL TRADE CONTRACTORS OPERATING AT CONSTRUCTION SITES, THOUGH ONLY ABOUT 6.1% OF THE ESTABLISHMENTS, ACCOUNTED FOR \$73.3 BILLION OR 59.5% OF THE GROSS OUTPUT.

THE REST OF THE CONSTRUCTION ESTABLISHMENTS CONSISTED MOSTLY OF SPECIAL TRADE CONTRACTORS, SUCH AS CONTRACTORS SPECIALISING IN ELECTRICAL AND MECHANICAL FITTINGS.

THESE CONTRACTORS CONSTITUTED 54.3% OF THE ESTABLISHMENTS IN THIS INDUSTRIAL SECTOR, AND ACCOUNTED FOR 28.5% OF THE GROSS OUTPUT.

THE SURVEY DID NOT COVER LABOUR-ONLY SUB-CONTRACTORS WHO MAINLY SUPPLIED LABOUR TO WORK ON A JOB-TO-JOB BASIS.

HOWEVER, THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY THESE SUB-CONTRACTORS HAD ALREADY BEEN INCLUDED IN THAT OF THOSE CONTRACTORS COMMISSIONING THEIR SERVICES.

APART FROM CONSTRUCTION ESTABLISHMENTS, THE SURVEY ALSO ENUMERATED ESTABLISHMENTS ENGAGED IN (I) REAL ESTATE DEVELOPMENT, LEASING, BROKERAGE AND MAINTENANCE MANAGEMENT SERVICES, AND (II) ARCHITECTURAL, SURVEYING AND PROJECT ENGINEERING SERVICES.

THE GROSS OUTPUT PERFORMED BY ESTABLISHMENTS ENGAGED IN REAL ESTATE DEVELOPMENT, LEASING, BROKERAGE AND MAINTENANCE MANAGEMENT SERVICES AMOUNTED TO \$73.7 BILLION IN 1992, REPRESENTING AN INCREASE OF 24.1% OVER 1991.

THIS COMPRISED \$33.1 BILLION FOR SERVICE AND RENTAL INCOME, \$39.6 BILLION FOR THE GROSS MARGIN OF REAL ESTATE DEVELOPMENT PROJECTS (EXCLUDING LAND PRICE APPRECIATION) AND \$1.0 BILLION FOR OTHER INCOMES.

THE GROSS OPERATING SURPLUS AMOUNTED TO 79.3% OF THE GROSS OUTPUT IN 1992. THIS WAS 1.2 PERCENTAGE POINTS HIGHER THAN THE FIGURE OF 78.1% FOR 1991.

THE TOTAL OPERATING EXPENDITURE OF THESE ESTABLISHMENTS ACCOUNTED FOR 20.7% OF THE GROSS OUTPUT. COMPARED WITH 1991, THIS DECREASED BY 1.2 PERCENTAGE POINTS.

/THE TOTAL

THE TOTAL VALUE ADDED OF THESE ESTABLISHMENTS WAS \$63.7 BILLION IN 1992, REPRESENTING AN INCREASE OF 25.3% OVER 1991. IT CONSTITUTED 86.4% OF THE GROSS OUTPUT PERFORMED. THIS WAS 0.8 PERCENTAGE POINT HIGHER THAN THE FIGURE OF 85.6% FOR 1991.

THESE FIGURES DID NOT INCLUDE ESTABLISHMENTS WHICH DEVELOPED REAL ESTATE PROJECTS FOR THEIR OWN USE, NOR THOSE WHICH OWNED LAND WITHOUT DEVELOPING IT DURING THE REFERENCE YEAR.

ALSO EXCLUDED WERE REAL ESTATE LEASING AND OTHER RELATED ACTIVITIES UNDERTAKEN BY INDIVIDUALS OR FIRMS WHICH DO NOT EMPLOY ANY PERSONS.

A TOTAL OF 7,600 ESTABLISHMENTS OPERATED IN THE REAL ESTATE DEVELOPMENT, LEASING, BROKERAGE AND MAINTENANCE MANAGEMENT SERVICES SECTOR IN 1992.

AS REGARDS ESTABLISHMENTS ENGAGED IN ARCHITECTURAL, SURVEYING AND PROJECT ENGINEERING SERVICES, THE GROSS OUTPUT PERFORMED WAS \$5.9 BILLION, REPRESENTING AN INCREASE OF 5.8% OVER 1991.

THIS CONSISTED OF \$5.8 BILLION FOR SERVICE INCOME AND \$0.2 BILLION FOR OTHER INCOMES.

THE GROSS OPERATING SURPLUS AMOUNTED TO 13.4% OF THE GROSS OUTPUT IN 1992, REPRESENTING 3.2 PERCENTAGE POINTS LOWER THAN THE FIGURE OF 16.6% FOR 1991.

THE TOTAL OPERATING EXPENDITURE OF THESE ESTABLISHMENTS ACCOUNTED FOR 86.6% OF THE GROSS OUTPUT. THIS WAS 3.2 PERCENTAGE POINTS HIGHER THAN THE FIGURE OF 83.4% FOR 1991.

THE TOTAL VALUE ADDED OF THESE ESTABLISHMENTS WAS \$3.6 BILLION IN 1992, REPRESENTING AN INCREASE OF 2.1% OVER 1991. IT CONSTITUTED 61.4% OF THE GROSS OUTPUT PERFORMED. COMPARED WITH 1991, THIS PERCENTAGE DECREASED BY 2.3 PERCENTAGE POINTS.

SOME 870 ESTABLISHMENTS OPERATED IN THE ARCHITECTURAL, SURVEYING AND PROJECT ENGINEERING SERVICES SECTOR IN 1992.

FOR REAL ESTATE DEVELOPMENT PROJECTS, THE VALUE ACCRUED TO PRIVATE SECTOR PROJECTS DURING 1992 WAS \$67.2 BILLION, REPRESENTING AN INCREASE OF 17.3% OVER THE CORRESPONDING VALUE IN 1991. THE INCREASE WAS LARGELY DUE TO INCREASED WORK DONE IN RESIDENTIAL BUILDINGS AND MULTI-PURPOSE COMMERCIAL PREMISES.

THE TOTAL PROJECT OUTLAYS AMOUNTED TO \$31.6 BILLION WHICH INCLUDED, FOR INSTANCE, PAYMENTS TO CONTRACTORS AND INTEREST PAYMENTS.

SUMMARY STATISTICS FOR THE 1992 SURVEY OF BUILDING, CONSTRUCTION AND REAL ESTATE SECTORS WILL BE INCLUDED IN THE APRIL 1994 ISSUE OF THE HONG KONG MONTHLY DIGEST OF STATISTICS PUBLISHED BY THE CENSUS AND STATISTICS DEPARTMENT.

MORE DETAILED RESULTS WILL BE GIVEN IN A FULL SURVEY REPORT TO BE PUBLISHED IN JULY.

ENQUIRIES REGARDING THESE SURVEY RESULTS MAY BE DIRECTED TO THE BUILDING, CONSTRUCTION AND REAL ESTATE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 839 3204.

SURVEY STUDIES EXTERNAL INVESTMENTS IN NON-MANUFACTURING SECTORS

* * * * *

THE FIRST-EVER SURVEY CONDUCTED BY THE CENSUS AND STATISTICS DEPARTMENT TO COLLECT UP-TO-DATE INFORMATION ON EXTERNAL INVESTMENTS IN NON-MANUFACTURING SECTORS FOR 1993 IS UNDER WAY.

"THE DATA IS USEFUL TO BOTH THE GOVERNMENT AND THE PRIVATE SECTOR IN FORMULATING POLICIES AND MAKING DECISIONS," THE COMMISSIONER FOR CENSUS AND STATISTICS, MR FREDERICK HO, SAID.

HE APPEALED TO THE MANagements OF ALL SAMPLED BUSINESS UNDERTAKINGS TO FULFIL THEIR LEGAL AND SOCIAL RESPONSIBILITIES BY RETURNING PROMPTLY THE COMPLETED QUESTIONNAIRES AND CO-OPERATING WITH CENSUS OFFICERS DURING THE SURVEY.

MR HO STRESSED THAT INFORMATION RELATING TO INDIVIDUAL BUSINESS UNDERTAKINGS WOULD BE TREATED IN STRICT CONFIDENCE UNDER THE CENSUS AND STATISTICS ORDINANCE.

"ONLY AGGREGATE INFORMATION THAT DOES NOT REVEAL DETAILS OF INDIVIDUAL UNDERTAKINGS WILL BE RELEASED," HE SAID.

MR HO POINTED OUT THAT AUDITED ACCOUNTS WERE NOT ESSENTIAL FOR THE SUPPLY OF DATA.

THE DEPARTMENT ACCEPTS FIGURES BASED ON PRELIMINARY ACCOUNTS OR ESTIMATES WHICH ARE CORRECT TO THE BEST OF THE RESPONDENTS' KNOWLEDGE AT THE TIME OF RETURNING THE QUESTIONNAIRE, IF AUDITED ACCOUNTS ARE NOT YET AVAILABLE.

ABOUT 3,500 BUSINESS UNDERTAKINGS IN THE NON-MANUFACTURING SECTORS WILL BE ENUMERATED.

INFORMATION TO BE SOUGHT INCLUDES: TYPE OF OWNERSHIP, EMPLOYMENT, TYPES OF BUSINESS, DISTRIBUTION OF INCOME/SALES BY MARKET, CAPITAL AND EXPENDITURES, BUSINESS PLANS AND THE OPINION ON HONG KONG AS A LOCATION FOR INVESTMENT.

THE SURVEY IS CONDUCTED UNDER THE CENSUS AND STATISTICS (ANNUAL SURVEY OF EXTERNAL INVESTMENTS IN NON-MANUFACTURING UNDERTAKINGS) ORDER 1994, WHICH WAS MADE UNDER THE CENSUS AND STATISTICS ORDINANCE AND ISSUED AS LEGAL NOTICE NO. 241 IN THE HONG KONG GOVERNMENT GAZETTE ON APRIL 29 THIS YEAR.

QUESTIONNAIRES HAVE BEEN MAILED TO THE SAMPLED BUSINESS UNDERTAKINGS. THEY ARE REQUIRED BY LAW TO COMPLETE AND RETURN THE QUESTIONNAIRES TO THE CENSUS AND STATISTICS DEPARTMENT BY JUNE 30.

IF REQUIRED, CENSUS OFFICERS WILL VISIT INDIVIDUAL BUSINESS UNDERTAKINGS AND HELP THEM COMPLETE THE QUESTIONNAIRES.

THE OFFICERS ON DUTY WILL CARRY A GOVERNMENT IDENTITY CARD AND A CERTIFICATE FOR CONDUCTING THE SURVEY, WHICH ARE AVAILABLE FOR INSPECTION.

ANY ENQUIRIES ABOUT THE SURVEY MAY BE DIRECTED TO THE GENERAL ECONOMIC SURVEYS SECTION OF THE DEPARTMENT ON TEL 839 3233 OR 805 6436.

MASSIVE RECLAMATION IN TSEUNG KWAN O STARTS NEXT WEEK
* * * * *

MASSIVE RECLAMATION WORKS AND ROADWORKS CONSTRUCTION WILL START IN TSEUNG KWAN O NEXT WEEK AS PART OF THE ON-GOING DEVELOPMENT PROGRAMME FOR THE NEW TOWN.

A \$389.8 MILLION RECLAMATION CONTRACT WAS SIGNED TODAY (WEDNESDAY) BY THE DIRECTOR OF TERRITORY DEVELOPMENT, MR CHOW CHE-KING, AND A REPRESENTATIVE OF THE CONTRACTOR - A JOINT VENTURE OF KIN SHING CONSTRUCTION COMPANY AND LAM CONSTRUCTION COMPANY LIMITED.

MR CHOW NOTED THAT THE CONTRACT INVOLVES RECLAIMING A TOTAL OF 34.3 HECTARES OF LAND AT TSEUNG KWAN O AREAS 55, 56, 57, 65, 66, 67 AND 68 FOR HOUSING DEVELOPMENT AND OTHER COMMUNITY FACILITIES.

"ABOUT 16.5 HECTARES OF LAND WILL BE RECLAIMED AT AREAS 55, 56 AND 57 TO PROVIDE LAND FOR COMMERCIAL/RESIDENTIAL AND OTHER USES.

"A FURTHER 17.8 HECTARES OF LAND WILL BE RECLAIMED AT AREAS 65, 66 AND 67. OF THESE, 8.6 HECTARES IN AREA 65 AND 3.5 HECTARES IN AREA 67 WILL BE FOR BUILDING HOME OWNERSHIP SCHEME AND PRIVATE SECTOR PARTICIPATION SCHEME FLATS," HE SAID.

THE CONTRACT WORKS ALSO INCLUDE EXTENSION OF THE MAIN WESTERN BOX CULVERT; A SHORT SECTION OF THE MASS TRANSIT RAILWAY BOX TUNNEL BENEATH THE WESTERN CULVERT; A SECTION OF THE EASTERN SEAWALL; AND SECTION OF THE MAIN SOUTH SEAWALL.

IN ADDITION, THE WORKS INVOLVES 28 HECTARES OF SEABED PREPARATION IN TSEUNG KWAN O PHASE III DEVELOPMENT TO RECEIVE PUBLIC DUMPING MATERIAL AS PROPOSED IN THE LONG TERM PUBLIC DUMPING STRATEGY.

THE WORKS WILL BEGIN ON JUNE 16 AND WILL TAKE 30 MONTHS TO COMPLETE.

MR CHOW POINTED OUT THAT THE TOTAL QUANTITY OF FILLING MATERIAL REQUIRED FOR THE RECLAMATION WORKS AND SEABED PREPARATION, EXCLUDING SEAWALL CONSTRUCTION, WAS ESTIMATED AT 6.2 MILLION CUBIC METRES.

"THE QUANTITY OF MARINE SAND FOR BACKFILLING THE SEAWALL TRENCHES AND CULVERT TRENCHES WILL BE ABOUT TWO MILLION CUBIC METRES," HE ADDED.

MEANWHILE, MR CHOW ALSO SIGNED A \$99.6 MILLION ROADWORKS CONSTRUCTION CONTRACT WITH A REPRESENTATIVE OF WAN HIN AND COMPANY LIMITED TODAY.

THE CONTRACT COMPRISES THE CONSTRUCTION OF THREE NEW ROADS, TWO FOOTBRIDGES, TWO SUBWAYS, FOOTPATHS AND CYCLE TRACKS IN HANG HAU AREA TO PROVIDE VEHICULAR AND PEDESTRIAN ACCESS TO THE PROPOSED DEVELOPMENTS IN THE AREA, AND TO PROVIDE A MORE DIRECT TRANSPORT LINK BETWEEN TSEUNG KWAN O TUNNEL AND THE INDUSTRIAL AREAS AS WELL AS THE LANDFILLS IN THE SOUTHERN END OF THE NEW TOWN.

THE WORKS WILL BEGIN ON JUNE 17 FOR COMPLETION IN 24 MONTHS.

WEDNESDAY, JUNE 8, 1994

- 10 -

CUSTOMS AIRPORT CARGO CUSTOMER LIAISON GROUP

* * * * *

THE COMMISSIONER OF CUSTOMS AND EXCISE, MR DON WATSON, THIS (WEDNESDAY) MORNING OFFICIATED AT THE FIRST MEETING OF THE DEPARTMENT'S AIR CARGO CUSTOMER LIAISON GROUP.

THE CLEARANCE OF AIR CARGO IS ONE OF THE KEY SERVICES PROVIDED BY THE DEPARTMENT.

"AS PART OF OUR CONTINUING EFFORTS TO IMPROVE THE QUALITY OF OUR PUBLIC SERVICES, IT IS CONSIDERED ESSENTIAL TO ESTABLISH A REGULAR FORUM FOR OUR SENIOR STAFF TO MEET FACE TO FACE WITH THOSE WHO HAVE FIRST-HAND EXPERIENCE OF THESE SERVICES," MR WATSON SAID.

"THE AIR CARGO CUSTOMER LIAISON GROUP HAS BEEN SET UP TO FOCUS ON HOW THE SERVICE AIMS IN RELATION TO AIR CARGO CLEARANCE CAN BE MESHED INTO HARMONY WITH THE NEEDS AND EXPECTATIONS OF OUR CUSTOMERS," HE ADDED.

THE GROUP IS CHAIRED BY THE ASSISTANT COMMISSIONER (OPERATIONS), MR LI WAI-MAN, AND WILL MEET AT QUARTERLY INTERVALS. ITS 10 MEMBERS ARE CHOSEN FROM CUSTOMERS WHO MAKE REGULAR USE OF THE SERVICE.

- - - - 0 - - - -

CLOSURE OF YAU MA TEI UNAUTHORISED STRUCTURES

* * * * *

THE BUILDING AUTHORITY IS SEEKING TO CLOSE TWO UNAUTHORISED STRUCTURES IN YAU MA TEI SO THAT THEY CAN BE DEMOLISHED WITHOUT ENDANGERING THE OCCUPANTS AND THE PUBLIC.

THE SINGLE-STOREY STRUCTURES, BEING USED FOR STORAGE, ARE ON THE FOURTH FLOOR AND ROOF OF A BUILDING AT 134 TEMPLE STREET.

TWO NOTICES APPLYING FOR CLOSURE ORDERS FROM THE HONG KONG DISTRICT COURT UNDER THE BUILDINGS ORDINANCE ON OCTOBER 26 WERE POSTED ON THE PREMISES TODAY (WEDNESDAY).

DEMOLITION WORKS ARE EXPECTED TO START AS SOON AS THE CLOSURE ORDERS ARE ISSUED.

- - - - 0 - - - -

/11

- 11 -

HONG KONG MONETARY AUTHORITY
MONEY MARKET OPERATIONS
* * * * *

	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
	-----	-----	-----
OPENING BALANCE IN THE ACCOUNT	1,360	0930	-309
CLOSING BALANCE IN THE ACCOUNT	1,902	1000	-309
CHANGE ATTRIBUTABLE TO :		1100	-319
MONEY MARKET ACTIVITY	-328	1200	-317
LAF TODAY	+870	1500	-317
		1600	-328
LAF RATE 2.50 BID/4.50 OFFER		TWI 124.8 *-0.3*	8.6.94

HONG KONG MONETARY AUTHORITY

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.50	18 MONTHS	2511	4.15	98.29	5.46
1 MONTH	3.28	24 MONTHS	2605	6.35	101.00	5.88
3 MONTHS	3.91	29 MONTHS	3610	4.20	95.78	6.22
6 MONTHS	4.38	32 MONTHS	3701	4.60	96.01	6.36
12 MONTHS	4.98	35 MONTHS	3704	6.15	99.40	6.48
TOTAL TURNOVER OF BILLS AND BONDS - 50,870 MN						
CLOSED 8 JUNE 1994						

- - - - 0 - - - -



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

SUPPLEMENT

WEDNESDAY, JUNE 8, 1994

CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

MOTION ON RATES "MISGUIDED": FS	1
MOTION DEBATE ON HIGHER EDUCATION DEVELOPMENT	2
SAFETY OFFICERS A MUST FOR WORK SITES, SHIPYARDS	9
LAW TO DISCOURAGE SMOKING	10
PROPOSALS ON HKSAR TRAVEL DOCUMENTS PUT TO THE CHINESE	11
REMOVAL ORDER APPEAL CHANNELS ADEQUATE	12
POLICE REGULARLY PATROL HK WATERS	12
INVESTMENT IN PUBLIC HOUSING EXCEEDS \$200 BILLION	13
SEWAGE SERVICES TRADING FUND	13
SUITABILITY IS KEY FACTOR IN GOVERNMENT APPOINTMENTS	14
QUALITY OF DRINKING WATER EXTENSIVELY MONITORED	15
CRITERIA FOR RELEASING SCHOOL SITES EXPLAINED	15
HKIED TO REVIEW ADMISSION CRITERIA	16

/CHINESE LANGUAGE

CONTENTS

PAGE NO.

CHINESE LANGUAGE REQUIREMENT FOR ADMISSION TO TECHNICAL COLLEGES UNDER REVIEW	17
POLYTECHNIC CLASSROOM UTILISATION NOT A PROBLEM	18
HKU LOOKS INTO COPYRIGHT CASE	19
HKCAA RESPONSIBLE FOR LOCAL ACADEMIC ACCREDITATION	20
RAIL DEVELOPMENT STRATEGY NEARS COMPLETION	20
TUNNEL SPEEDING OFFENCE	21
YUEN LONG SOUTHERN BYPASS TO OPEN IN SEPTEMBER	22
CONSUMERS NEED TO UNDERSTAND CONTRACT TERMS	22
CONSUMERS BENEFIT FROM TAX CONCESSION	23
POSITIVE STEPS TO IMPROVE BANK SERVICES FOR THE BLIND	24
MOTION ON DEVELOPMENT OF HIGHER EDUCATION AND RATES PASSED	25

MOTION ON RATES "MISGUIDED": FS

* * * * *

THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, TODAY (WEDNESDAY) DESCRIBED AS "MISGUIDED" A MOTION MOVED BY THE HON SZETO WAH IN THE LEGISLATIVE COUNCIL TO REPROVE THE GOVERNOR OVER THE RATES ISSUE.

THE FIRST REASON, HE SAID, WAS THAT A MOTION REPROVING THE GOVERNOR WAS A VERY SERIOUS MATTER AND IT SHOULD BE RESERVED FOR SERIOUS POLICY OR CONSTITUTIONAL ISSUES OR ITS IMPACT WAS GREATLY DEVALUED.

HE APPRECIATED THAT PEOPLE NATURALLY PREFERRED TO PAY LESS ON RATES BUT IN THE CONTEXT OF A GENERALLY VERY FAVOURABLE BUDGET, HE SAID HE DID NOT BELIEVE FOR ONE MOMENT THERE WAS A VERY STRONG FEELING THAT A SERIOUS WRONG HAD BEEN DONE WHICH MUST BE RIGHTED.

THE SECOND REASON WAS THAT THE MOTION SEEMED TO REST ON AN UNHELPFUL SIMPLIFICATION OF WHAT DEMOCRACY MEANT - OR SHOULD MEAN - IN HONG KONG, SIR HAMISH SAID.

HE POINTED OUT THAT THE FACT WAS THAT HONG KONG'S SYSTEM, LIKE MANY OTHERS, INVOLVED A BALANCE OF POWERS.

THE SYSTEM SIMPLY WOULD NOT WORK IF IT INVOLVED THE EXECUTIVE RUBBER-STAMPING THE VIEWS OF THE LEGISLATURE, ANY MORE THAN IT WOULD WORK IF IT INVOLVED THE REVERSE - THE LEGISLATURE RUBBER-STAMPING THE VIEWS OF THE EXECUTIVE, HE SAID.

ELABORATING ON THE FIRST REASON, THE FINANCIAL SECRETARY SAID NEITHER THE ADDITIONAL BILL RESULTING FROM THE RATES REVALUATION NOR THE TOTAL BILL FOR RATES PAYABLE BY INDIVIDUAL RATEPAYERS COULD BE CONVINCINGLY DESCRIBED AS "A BURDEN ON THE PEOPLE OF HONG KONG".

HE SAID A MODEST REVALUATION OF RATEABLE VALUES AMELIORATED BY A CAP ON THE PERCENTAGE INCREASE WAS HARDLY A SUFFICIENT CAUSE FOR A CONSTITUTIONAL DRAMA.

"AND IF THE PUBLIC THINKS DESPITE THESE FACTS THAT THE RATES REVALUATION IS IN FACT A BURDEN, THEY ARE BEING UNCHARACTERISTICALLY SHY ABOUT VOICING THEIR CONCERN," HE SAID.

BASED ON THE OBJECTIONS RECEIVED SO FAR TO THE NEW RATEABLE VALUES, THE PROPORTION OF OBJECTIONS TO THE TOTAL NUMBER OF ASSESSMENTS WAS JUST 1.3 PER CENT, AS COMPARED TO 3.1 PER CENT AFTER THE LAST REVALUATION IN 1991.

SIR HAMISH NOTED THAT THIS WAS THE LOWEST RATE OF OBJECTIONS IN ANY OF THE LAST THREE REVALUATIONS.

ON HIS SECOND REASON, HE POINTED OUT THAT HONG KONG'S SYSTEM WAS VERY DIFFERENT TO THAT IMPLIED BY THE MOTION.

"A CONVENIENT SHORTHAND DESCRIPTION OF OUR PRESENT SYSTEM IS THAT IT INVOLVES AN EXECUTIVE-LED GOVERNMENT, ACCOUNTABLE TO A PARTLY-ELECTED LEGISLATURE," HE SAID.

THE RELATIONSHIP BETWEEN THE TWO BODIES INVOLVED CHECKS AND BALANCES, HE ADDED.

"BOTH BODIES HAVE CERTAIN POWERS; AND FOR THE SYSTEM TO WORK PROPERLY, EACH HAS TO RESPECT THOSE POWERS, AND SEEK BY DIALOGUE TO FIND SOLUTIONS ACCEPTABLE TO THE OTHER," HE SAID.

"THUS, FOR EXAMPLE, BEFORE THE ADMINISTRATION IMPLEMENTS ANY INITIATIVE TO CHANGE THE LAW, WE SHOULD BE ABLE TO PERSUADE MEMBERS OF THIS COUNCIL THAT SUCH A CHANGE IS NECESSARY AND DESIRABLE FOR THE GOOD GOVERNMENT OF HONG KONG.

"BEFORE WE IMPOSE OR INCREASE ANY TAXATION, WE MUST SEEK THE APPROVAL OF THIS COUNCIL, AND BEFORE WE APPROPRIATE ANY FUNDS TO CARRY OUT OUR POLICIES, WE NEED TO OBTAIN THE SUPPORT OF THE FINANCE COMMITTEE OF THIS COUNCIL," HE SAID.

"BUT IT IS ALSO TRUE THAT THE INITIATIVE TO TAKE THESE ACTIONS, UNLESS IN VERY SPECIAL CIRCUMSTANCES, LIES WITH THE GOVERNMENT - MOST CLEARLY IN RESPECT OF REVENUE AND EXPENDITURE PROPOSALS," HE ADDED.

HE NOTED THAT IT WAS COMMONPLACE TO RETAIN THE RIGHT TO PROPOSE EXPENDITURE OR INCREASE TAXES IN THE HANDS OF THE GOVERNMENT, CITING THE UK AND AUSTRALIA AS EXAMPLES.

"AND IT IS THE CUSTOM FOR GOOD REASON - IT WOULD BE VERY DIFFICULT INDEED TO GOVERN WITHOUT ASSURANCE OF THE LEVEL OF REVENUE AND EXPENDITURE," HE SAID.

"TO PUT IT MILDLY, TO ACCEDE TO THIS MOTION - TO AGREE THAT WE SHOULD HAND OVER TO THE LEGISLATIVE COUNCIL THE POWER TO PROPOSE CHANGES OF THE TYPE WHICH IS THE SUBJECT OF THIS MOTION - WOULD HARDLY BE CONDUCTIVE TO STABILITY, OR EFFICIENCY, OR GOOD GOVERNMENT."

----- 0 -----

MOTION DEBATE ON HIGHER EDUCATION DEVELOPMENT

* * * * *

FOLLOWING IS THE SPEECH BY SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN THE MOTION DEBATE ON DEVELOPMENT OF HIGHER EDUCATION IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY):

MR PRESIDENT,

THE DEVELOPMENT OF HIGHER EDUCATION IS OF GREAT IMPORTANCE TO THE WELL-BEING OF HONG KONG. IT IS MUCH MORE THAN JUST ENABLING OUR YOUNG PEOPLE TO HAVE ACCESS TO DEGREE PLACES. IT IS TO ENSURE THAT HONG KONG WILL HAVE :

- THE TRAINED MANPOWER TO SUSTAIN OUR ECONOMIC GROWTH AND SOCIAL DEVELOPMENT;
- THE RESPONSIBLE CITIZENS WHO CAN ANALYSE OBJECTIVELY AND THINK INDEPENDENTLY, WITH THE WELL-BEING OF THE COMMUNITY IN MIND; AND

- THE QUALITY LEADERS WHO CAN JUDGE SENSIBLY AND LEAD CAPABLY IN BOTH THE PUBLIC AND PRIVATE SECTORS.

THIS SUBJECT RIGHTLY DESERVES SO MANY MEMBERS' ATTENTION AND CONCERN. I AM GRATEFUL FOR THEIR CONSTRUCTIVE COMMENTS THIS AFTERNOON. I ALSO WELCOME THIS OPPORTUNITY TO EXPLAIN GOVERNMENT'S THINKING ON THE FUTURE DIRECTION OF OUR HIGHER EDUCATION DEVELOPMENT.

ONE OF THE GOVERNMENT'S MAJOR EDUCATION INITIATIVES FOR THE 1990S WAS THE DECISION, MADE IN 1989, TO ACCELERATE THE EXPANSION OF TERTIARY PLACES. STARTING FROM THE EARLY 1980S, HAVING SUCCESSFULLY INTRODUCED NINE YEARS OF FREE AND COMPULSORY EDUCATION, GOVERNMENT BEGAN TO EMBARK ON A PHASED PROGRAMME IN EXPANDING TERTIARY EDUCATION. IN 1979-80, ONLY ONE IN 50 OF OUR YOUTHS AGED BETWEEN 17 AND 20 HAD ACCESS TO FIRST-YEAR, FIRST-DEGREE PLACES IN LOCAL INSTITUTIONS. BY 1989-90, THIS RATIO HAD INCREASED SUBSTANTIALLY TO ONE IN 12.

THE SPEED OF EXPANSION WAS ALREADY QUITE FAST THEN, BUT WE WERE NOT SATISFIED WITH IT. WE KNEW WE WOULD NEED MORE, GIVEN OUR PACE OF ECONOMIC DEVELOPMENT AND TO OFFSET THE OUTFLOW OF TALENTS THROUGH EMIGRATION. IT WAS ALSO VERY CLEAR TO US THAT FOLLOWING THE SUCCESSFUL DEVELOPMENT OF MASS EDUCATION AT THE PRIMARY AND SECONDARY LEVELS, PARENTS WOULD NATURALLY EXPECT THE GOVERNMENT TO EXPAND TERTIARY PLACES FOR THEIR CHILDREN. IN SHORT, WE NEEDED THE SUPPLY, AND THE DEMAND WAS INCREASINGLY OBVIOUS.

GOVERNMENT THEREFORE DECIDED IN 1989 THAT WE SHOULD ACCELERATE THE PROGRAMME OF EXPANSION BY AIMING TO PROVIDE SUFFICIENT TERTIARY PLACES SO THAT BY 1994-95, ABOUT ONE IN FIVE OF THOSE IN THE RIGHT AGE GROUP WOULD HAVE ACCESS TO FIRST-YEAR, FIRST-DEGREE PLACES. IF WE ADD THE SUB-DEGREE PLACES TO THE EQUATION, NEARLY ONE IN FOUR OF OUR YOUTHS BETWEEN THE AGE OF 17 AND 20 WILL BE JOINING LOCAL TERTIARY INSTITUTIONS AS FULL-TIME STUDENTS AFTER THIS SUMMER. WHILE THE TARGET WE SET FOR OURSELVES IS NOT OVER GENEROUS BY INTERNATIONAL STANDARDS, THE PACE WITH WHICH WE HAD IT DONE WAS UNPRECEDENTED. THANKS TO THE HARD WORK AND COMMITMENT OF OUR TERTIARY INSTITUTIONS AND ALL THOSE WHO WORK IN THE HIGHER EDUCATION CONSTITUENCY, INCLUDING OF COURSE THE UPGC, WE ARE WELL ON TARGET IN ACHIEVING THIS IMPORTANT AIM.

FIVE YEARS INTO THE EXPANSION PROGRAMME, THE GOVERNMENT AND THE UPGC CONSIDER THAT THIS IS THE TIME BOTH TO TAKE STOCK AND TO THINK AHEAD. AS A THEME TO THEIR INTERIM REPORT ON HIGHER EDUCATION, THE UPGC HAS PUT FORWARD THE IDEA OF DEVELOPING OUR TERTIARY INSTITUTIONS TO INCORPORATE CENTRES OF ACADEMIC EXCELLENCE THAT CATER FOR FUNCTIONS BEYOND HONG KONG'S LOCAL NEEDS, THAT TRAIN HIGH QUALITY BILINGUAL MANPOWER FOR BOTH HONG KONG AND ITS HINTERLAND, AND ACT AS POINTS OF REFERENCE IN SOCIAL STUDIES, BUSINESS AND INNOVATIVE SCIENCE AND TECHNOLOGY FOR DEVELOPMENTS IN BOTH CHINA AND BEYOND.

THE ADMINISTRATION WELCOMES THIS VISIONARY IDEA IN PRINCIPLE. WE RECOGNISE THAT OUR NEXT STAGE OF DEVELOPMENT IN HIGHER EDUCATION, FOLLOWING THE DECADES OF CHANGE FROM AN ELITIST TO A MORE ACCESSIBLE SYSTEM, MUST BE THE QUEST FOR QUALITY. THERE ARE STRONG ARGUMENTS FOR A CONCERTED POLICY IN ENCOURAGING AND GUIDING OUR INSTITUTIONS TO AIM HIGHER AND TO SEE FURTHER AHEAD :

/- FIRST, IT

- FIRST, IT WOULD HAVE A CATALYTIC EFFECT IN STIMULATING LIVELINESS AND EFFECTIVENESS IN TEACHING AND IN RESEARCH;
- SECOND, IT WOULD ENHANCE THE SUPPLY OF HIGHLY TRAINED AND QUALIFIED MANPOWER TO CATER FOR THE NEEDS OF OUR INCREASINGLY SOPHISTICATED ECONOMY. THE BENEFITS THEREFORE EXTEND FAR BEYOND THAT OF THE STAFF AND THE STUDENTS; AND
- THIRD, IT WOULD ENSURE THAT HONG KONG MAINTAINS A KEY POSITION IN THE VANGUARD IN THE FUTURE GROWTH AND DEVELOPMENT OF THE ASIA-PACIFIC REGION.

BUT WE ARE A PRAGMATIC ADMINISTRATION. WE ARE FULLY CONSCIOUS OF THE FACT THAT CENTRES OF EXCELLENCE CAN ONLY BE NURTURED THROUGH SELECTIVE INVESTMENTS ON THE BASIS OF PERFORMANCE; THAT OUR INSTITUTIONS' ACADEMIC DEPARTMENTS CAN ONLY ACHIEVE INTERNATIONAL RECOGNITION THROUGH COMPETITION; AND THAT FUNDING FOR THESE CENTRES MUST HAVE REGARD TO THE NEED FOR BALANCED DEVELOPMENT AMONG ALL THE ACADEMIC SUBJECTS BEING TAUGHT IN THE INSTITUTIONS, NOT MERELY BOOSTING A FEW AT THE EXPENSE OF THE MAJORITY.

WE HAVE THEREFORE ASKED THE UPGC TO GIVE FURTHER DETAILED CONSIDERATION TO A NUMBER OF ISSUES WHICH WE HAVE IDENTIFIED TO BE OF CONCERN, NOT ONLY TO STAFF AND STUDENTS, BUT ALSO TO THE WIDER COMMUNITY. I WOULD HIGHLIGHT THE MORE IMPORTANT ONES HERE :

- FIRST, WE WOULD WISH OUR HEAVY INVESTMENT IN THE INSTITUTIONS TO BE USED EFFICIENTLY AND BE RESPONSIVE TO THE CHANGING NEEDS OF HONG KONG. WE WOULD THEREFORE WISH TO SEE THAT THE DIRECTIONS IN THE DEVELOPMENT OF THESE CENTRES ARE GEARED CLEARLY TOWARDS HONG KONG'S ECONOMIC AND SOCIAL BENEFITS;
- SECOND, WE WOULD WISH TO SEE THE MEANING OF EXCELLENCE FOR THESE CENTRES BE BROADENED TO COVER QUALITY IN TEACHING AS WELL, FOR AFTER ALL TAUGHT UNDERGRADUATES AND POSTGRADUATES FORM THE BULK OF OUR STUDENT POPULATION WHOSE PERFORMANCE IN SOCIETY WOULD DEPEND MORE DIRECTLY ON THE QUALITY OF INSTRUCTION THAN ON THE DEPTH OF RESEARCH ALONE;
- THIRD, GIVEN THE LIMIT IN PUBLIC RESOURCES, SERIOUS CONSIDERATION MUST BE GIVEN TO THE DEVELOPMENT OF NON-GOVERNMENT FUNDING AND DIRECT PRIVATE SECTOR SPONSORSHIP OF THESE CENTRES IN ORDER TO MINIMISE ADDITIONAL PUBLIC SPENDING AND TO MAXIMISE THEIR EXPOSURE TO EXPRESSED MARKET NEEDS; AND
- FOURTH, WE WOULD WISH TO AVOID THE UNDER-EMPLOYMENT OF HIGHLY TRAINED PEOPLE IN WHOM HONG KONG HAD INVESTED SO MUCH. WE WOULD NEED FURTHER CAREFUL THOUGHTS ON HOW MANY ADDITIONAL POSTGRADUATES ARE LIKELY TO BE ABSORBED BY THE ANTICIPATED CENTRE-RELATED INDUSTRIES, THE TERTIARY INSTITUTIONS THEMSELVES, AND THE ANTICIPATED INCREASE IN RESEARCH ACTIVITIES IN HONG KONG.

THIS IMPORTANT SUBJECT IS NOW UNDER PUBLIC CONSIDERATION AND CONSULTATION. MEMBERS' VIEWS EXPRESSED IN THIS DEBATE WILL CERTAINLY BE TAKEN INTO ACCOUNT WHEN THE UPGC DRAWS UP ITS FINAL REPORT, AND WHEN THE GOVERNMENT TAKES ITS FINAL DECISIONS.

SOME MEMBERS HAVE EXPRESSED CONCERN ON THE OVERALL BALANCE IN EDUCATION SPENDING IN THE VARIOUS SECTORS. I WOULD JUST LIKE TO REITERATE THE ADMINISTRATION'S POSITION BRIEFLY. WE HAVE INDEED INVESTED HEAVILY IN TERTIARY EDUCATION OVER THE LAST FEW YEARS. THAT IS INEVITABLE GIVEN THE FACT THAT WE HAVE NEARLY DOUBLED THE NUMBER OF FIRST-YEAR, FIRST-DEGREE PLACES. BUT THE INCREASE HAS NOT BEEN AT THE EXPENSE OF OTHER SECTORS. FOR EXAMPLE, SPENDING ON SCHOOL EDUCATION, HAS ENJOYED A REAL INCREASE OF 20% BETWEEN 1989-90 AND 1994-95.

BEFORE I RESPOND TO MEMBERS' REQUEST TO REVIEW THE STRUCTURE AND FUNCTIONS OF THE UPGC, I WOULD LIKE TO EXPLAIN BRIEFLY THE HISTORY OF THE COMMITTEE, THE PHILOSOPHY BEHIND ITS ESTABLISHMENT, AND THE LONG-ESTABLISHED FUNCTIONAL RELATIONSHIP BETWEEN THE GOVERNMENT, THE COMMITTEE, AND THE TERTIARY INSTITUTIONS FUNDED BY THE COMMITTEE.

THE COMMITTEE WAS FIRST ESTABLISHED AS THE UNIVERSITY GRANTS COMMITTEE BACK IN 1965. IN 1972, IT WAS RETITLED THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE, UPGC IN SHORT, TO REFLECT THE INCLUSION OF THE HONG KONG POLYTECHNIC WITHIN ITS PURVIEW.

IT IS BY DESIGN THAT THE UPGC SHOULD HAVE NEITHER STATUTORY NOR EXECUTIVE POWERS OVER THE INSTITUTIONS. EACH OF THE TERTIARY INSTITUTIONS IS AN AUTONOMOUS ENTITY WITH ITS OWN ORDINANCE AND GOVERNING BODY. THE INSTITUTIONS ARE LEGALLY ENTITLED TO FREEDOM OF ACTION, WITHIN THE LAWS OF HONG KONG, IN THE CONTROL OF THEIR CURRICULA AND ACADEMIC STANDARDS; THE APPOINTMENT, MANAGEMENT AND DISCIPLINE OF THEIR OWN STAFF; THE SELECTION OF STUDENTS; AND THE INTERNAL ALLOCATION OF RESOURCES. THE CLAIM FOR AUTONOMY DOES NOT REST UPON ANY ASSUMPTION OF SPECIAL PRIVILEGES, BUT ON THE UNDERSTANDING, LONG ACCEPTED BY THE COMMUNITY, THAT TERTIARY ACADEMIC INSTITUTIONS SHOULD HAVE FREEDOM OF CHOICE ON ACADEMIC MATTERS AND FREEDOM OF ACTION IN SELECTING THEIR OWN STUDENTS AND STAFF. IN SHORT, THEY SHOULD BE FREE FROM DIRECT GOVERNMENT INFLUENCE.

BUT BECAUSE THE INSTITUTIONS ARE LARGELY SUPPORTED BY PUBLIC FUNDS, AND BECAUSE OF THE IMPORTANCE OF HIGHER EDUCATION TO THE COMMUNITY, THE GOVERNMENT AND THE COMMUNITY AT LARGE DO HAVE A LEGITIMATE INTEREST IN THE OPERATION OF THE INSTITUTIONS TO ENSURE THAT THEY ARE PROVIDING THE HIGHEST POSSIBLE STANDARD OF EDUCATION IN A COST-EFFECTIVE MANNER. THE UPGC HAS THEREFORE ACTED AS A BUFFER BETWEEN THE GOVERNMENT AND THE INSTITUTIONS, SAFEGUARDING THE ACADEMIC AND MANAGEMENT AUTONOMY OF THE INSTITUTIONS ON THE ONE HAND, AND ENSURING VALUE FOR MONEY FOR TAXPAYERS ON THE OTHER.

THE KEY FUNCTION OF THE UPGC IS TO OFFER IMPARTIAL AND EXPERT ADVICE TO THE GOVERNMENT ON THE APPLICATION TO INSTITUTIONS OF SUCH PUBLIC FUNDS AS MAY BE APPROVED BY THIS COUNCIL FOR THE PURPOSE OF TERTIARY EDUCATION. THE COMMITTEE ALSO PROVIDES THE INSTITUTIONS WITH ACADEMIC ADVICE HAVING REGARD TO INTERNATIONAL STANDARDS AND PRACTICES, AND MONITORS THE ACADEMIC STANDARDS OF THE INSTITUTIONS THROUGH REGULAR INSTITUTIONAL REVIEWS AND ACADEMIC AUDITS.

MEMBERS OF THE UPGC ARE APPOINTED BY THE GOVERNOR, HAVING REGARD TO THE NEED FOR THEM TO BE CAPABLE OF PROVIDING IMPARTIAL AND CREDIBLE ADVICE TO BOTH THE INSTITUTIONS AND THE GOVERNMENT. MEMBERS ARE THEREFORE ALL PROMINENT IN THEIR OWN FIELDS, INCLUDING RENOWNED ACADEMICS FROM OVERSEAS AND LOCALLY, AS WELL AS PROFESSIONAL AND BUSINESS PEOPLE. THOUGH ITS SECRETARIAT IS STAFFED BY CIVIL SERVANTS, AGAIN BY DESIGN NO GOVERNMENT OFFICER SITS ON THE COMMITTEE.

THE COMMITTEE HAS SERVED HONG KONG WELL. MEMBERS HAVE WORKED VERY HARD OVER THE PAST YEARS TO DELIVER THE AMBITIOUS TARGETS IN THE PROVISION OF TERTIARY EDUCATION PLACES, BUT NEVER LETTING GO THEIR INSISTENCE ON MAINTAINING THE QUALITY OF THE INSTITUTIONS AT AN INTERNATIONALLY ACCEPTABLE STANDARD. THEY HAVE ALSO BEEN FORWARD LOOKING AND VISIONARY, AS EVIDENCED IN THEIR LATEST INITIATIVE IN POINTING THE WAY FORWARD FOR THEIR INSTITUTIONS THROUGH THE "CENTRES OF EXCELLENCE" PROPOSAL. THEY HAVE EVEN INITIATED A MAJOR REVIEW ON THEIR OWN MISSION, THROUGH THE PUBLICATION OF A DRAFT MISSION STATEMENT WHICH TAKES INTO ACCOUNT THE EVOLVING ROLE OF HONG KONG AS A BUSINESS HUB OF SOUTH CHINA AND AS A LEADING FINANCIAL AND SERVICE CENTRE. THE DRAFT MISSION STATEMENT HAS BEEN PUBLISHED IN THEIR INTERIM REPORT ON HIGHER EDUCATION. MEMBERS OF THIS COUNCIL AND THE PUBLIC ARE WELCOME TO COMMENT ON THE FUTURE ROLE OF THE UPGC.

ON THE PART OF THE ADMINISTRATION, WE ALSO KEEP AN OPEN MIND IN THIS AREA. WE DO FEEL STRONGLY THAT ACADEMIC INDEPENDENCE IS OF PARAMOUNT IMPORTANCE TO TERTIARY INSTITUTIONS. THEY MUST CONTINUE TO BE GIVEN UNFETTERED INSTITUTIONAL AUTONOMY IN CONTROLLING THEIR CURRICULA AND ACADEMIC PROGRAMMES, AS WELL AS IN MANAGING THEIR OWN STAFF AND RESOURCES. TO AVOID THE UNDESIRABLE CONSEQUENCES OF THE ADMINISTRATION HAVING A DIRECT INFLUENCE ON THE INSTITUTIONS, WE WILL CONTINUE TO REQUIRE AN IMPARTIAL AND CREDIBLE MECHANISM TO ACT AS THE NECESSARY BUFFER. THE PHILOSOPHY OF THIS INSTITUTIONAL DESIGN HAS LONG BEEN ACCEPTED BY THE GOVERNMENT AND THE INSTITUTIONS. WE SHOULD NOT THEREFORE ALTER THIS DESIGN LIGHTLY, UNLESS THERE ARE OVER-RIDING ARGUMENTS IN THE PUBLIC INTEREST.

OTHER THAN THIS FUNDAMENTAL POINT, THE ADMINISTRATION IS OPEN TO CONSTRUCTIVE COMMENTS AND SUGGESTIONS ON HOW THE COMPOSITION, STRUCTURE AND FUNCTIONS OF THE UPGC MAY BE FURTHER IMPROVED TO COPE WITH THE DEVELOPMENT IN HIGHER EDUCATION.

THE FINAL PART OF TODAY'S MOTION CONCERNS GOVERNMENT'S PRESENT POLICY ON TERTIARY TUITION FEES AND STUDENT FINANCIAL ASSISTANCE. MEMBERS ARE AWARE OF THE BACKGROUND AND THE POLICY. SO I SHALL NOT REPEAT THEM. I WOULD, HOWEVER, LIKE TO HIGHLIGHT TWO POINTS TO PUT THE DEBATE IN ITS PROPER CONTEXT.

FIRST, THE CRUX OF THE ISSUE IS WHAT SHOULD CONSTITUTE A FAIR SHARE OF THE COST BURDEN BETWEEN TAXPAYERS AND PARENTS IN EDUCATING THEIR CHILDREN. THE GOVERNMENT'S PHILOSOPHY HAS ALWAYS BEEN THAT, FOR THE ESSENTIAL AND NECESSARY PORTION OF THE EDUCATION SYSTEM, THAT IS, THE NINE YEARS OF BASIC EDUCATION BETWEEN PRIMARY ONE AND SECONDARY THREE, GOVERNMENT SHOULD BEAR THE FULL COST, IN RETURN FOR AN OBLIGATION ON THE PART OF PARENTS TO SEND THEIR CHILDREN TO SCHOOLS. BEYOND THAT, GOVERNMENT WILL SEEK TO RECUPERATE A REASONABLE PERCENTAGE OF THE EDUCATION COST FROM THOSE PARENTS WHO CAN AFFORD IT. AT A COST RECOVERY RATE OF 18% UNDER THE PRESENT POLICY FOR SENIOR SECONDARY AND TERTIARY PLACES, GOVERNMENT IS EFFECTIVELY SHOULDERING THE BULK OF THE COST FOR PUBLIC EDUCATION FOR ALL STUDENTS. BUT FOR THOSE WHOSE FAMILIES WHO CAN AFFORD IT, WE ASK THAT THEY PAY A SMALL PART OF THE COST.

A FEW MEMBERS HAVE QUERIED WHY STUDENTS SHOULD BE ASKED TO PAY PART OF THE INSTITUTIONS' COSTS, OVER WHICH THEY HAVE NO CONTROL. THIS CONCERNS THE QUESTION OF COST-EFFECTIVENESS. THE UPGC, AS PART OF THEIR ROLE IN ADVISING THE GOVERNMENT ON THE APPLICATION OF PUBLIC FUNDS TO TERTIARY INSTITUTIONS, MONITORS THE COST-EFFECTIVENESS OF THE INSTITUTIONS' DELIVERY OF THEIR ACADEMIC PROGRAMMES. THIS IS DONE IN A NUMBER OF WAYS, INCLUDING THE EXAMINATION OF THE INSTITUTIONS' TRIENNIAL ACADEMIC DEVELOPMENT PLANS, THROUGH PERIODIC VISITS TO THE INSTITUTIONS TO REVIEW THEIR ACADEMIC ACTIVITIES AND FACILITIES, AND THE STUDY OF REGULAR REPORTS, STATISTICAL AND FINANCIAL RETURNS ON ALL ASPECTS OF THE INSTITUTIONS' ACTIVITIES. THE UPGC IS NOW IN THE PROCESS OF REVIEWING THE METHODOLOGY FOR ASSESSMENT OF RECURRENT FUNDING FOR ALLOCATION TO THE SEVEN INSTITUTIONS. IT AIMS TO RELATE FUNDING MORE CLOSELY TO QUALITY, OUTPUT AND PERFORMANCE IN TEACHING, RESEARCH AND SCHOLARLY ACTIVITY. IN SHORT, UPGC-FUNDED INSTITUTIONS' COST-EFFECTIVENESS ARE SUBJECT TO SYSTEMATIC MONITORING BY THE UPGC, AND THE SYSTEM WILL BE FURTHER IMPROVED WHEN THE NEW FUNDING MODEL, WHICH IS NOW BEING DEVELOPED, WILL BE IN PLACE LATER THIS YEAR.

FEW, HOWEVER, SHOULD QUESTION THE PRINCIPLE OF COST RECOVERY. HONG KONG IS AN EXCEPTIONALLY LOW TAX ECONOMY. LESS THAN HALF OF OUR WORKING POPULATION PAY SALARIES TAX. WE THEREFORE HAVE TO MAKE A REASONABLE CHARGE FOR OUR SERVICES, SOMETIMES AT COST WHEN IT COMES TO COMMERCIAL SERVICES, AND VERY OFTEN AT A SUBSTANTIAL DISCOUNT WHERE SOCIAL SERVICES ARE INVOLVED. THE "USER PAYS" PRINCIPLE HELPS TO KEEP OUR TAX RATES DOWN, REDUCES WASTAGE, AND ENABLES A MORE EFFICIENT USE IN RESOURCES FOR THE COMMUNITY AS A WHOLE. THE REAL QUESTION THEN IS WHETHER THE CURRENT COST RECOVERY POLICY IS CREATING UNDUE HARDSHIPS TO OUR TERTIARY STUDENTS AND THEIR FAMILIES.

HERE I COME TO THE SECOND POINT. THAT IS THE EFFECTIVENESS OF OUR STUDENT FINANCIAL ASSISTANCE SCHEME. THE STUDENT FINANCIAL ASSISTANCE SCHEME IS A MEANS-TESTED SCHEME WHICH PROVIDES ASSISTANCE IN THE FORM OF GRANTS AND LOANS TO ELIGIBLE STUDENTS WHO ARE IN FINANCIAL NEEDS. THE GRANTS ARE INTENDED TO COVER TUITION FEES, ACADEMIC EXPENSES AND STUDENT UNION FEES. THEY ARE AUTOMATICALLY REVISED EACH YEAR, IN LINE WITH THE ACTUAL INCREASE IN TUITION AND UNION FEES. THE LOANS ARE INTENDED TO HELP TOWARDS STUDENTS' LIVING AND PERSONAL EXPENSES. THEY ARE ALSO ADJUSTED IN LINE WITH INCREASES IN STUDENTS' LIVING EXPENSES AS MEASURED BY A STUDENT PRICE INDEX. BOTH GRANTS AND LOANS UNDER THE STUDENT FINANCIAL ASSISTANCE SCHEME ARE NOT SUBJECT TO CASH LIMITS BY GOVERNMENT. IN OTHER WORDS, WE WILL PROVIDE AS MUCH MONEY FOR THESE LOANS AND GRANTS AS THE NEEDY STUDENTS REQUIRE AND CAN JUSTIFY.

LET US NOW LOOK AT THE ACTUAL STATISTICS TO SEE IF THE SCHEME IS CATERING FOR THE STUDENTS' NEEDS SUFFICIENTLY. BETWEEN THE CURRENT AND LAST ACADEMIC YEAR, THE TUITION FEE FOR DEGREE COURSES IN UPGC-FUNDED INSTITUTIONS HAS INCREASED BY 47%. BUT THE AVERAGE GRANT MADE TO THE SUCCESSFUL APPLICANTS HAS BEEN INCREASED BY 73%. SIMILARLY, THE AVERAGE LOAN HAS ALSO BEEN INCREASED BY THE SAME MAGNITUDE. IN 1993-94, THE AVERAGE SUCCESSFUL APPLICANT RECEIVED \$15,000 IN GRANT AND \$21,000 IN LOAN, COMPARED TO THEIR DEGREE COURSE TUITION FEE OF \$17,000. THE COMPARABLE FIGURES IN 1992-93 WERE \$8,700 IN GRANT, \$12,000 IN LOAN, AND \$11,600 IN TUITION FEES. IT IS OBVIOUS FROM THESE FIGURES THAT ELIGIBLE STUDENTS HAVE INDEED BEEN BETTER OFF AFTER THE FEE INCREASE.

THIS IS NOT BECAUSE WE APPROVED LESS NUMBER OF APPLICATIONS. AS A MATTER OF FACT, THE NUMBER OF SUCCESSFUL APPLICANTS INCREASED FROM 14,000 TO ABOUT 21,000 OVER THE LAST YEAR. GOVERNMENT'S TOTAL EXPENSES ON GRANTS AND LOANS HAVE INCREASED BY 180% AND 160% RESPECTIVELY OVER THE SAID PERIOD, AMOUNTING TO \$280MILLION AND \$444MILLION RESPECTIVELY. FACTS SPEAK BETTER THAN WORDS. WE HAVE SUCCESSFULLY UPHELD OUR POLICY THAT STUDENTS WOULD NOT BE DEPRIVED OF ACCESS TO EDUCATION DUE TO LACK OF MEANS. WE SHALL CONTINUE TO ENSURE THAT THIS POLICY IS ENFORCED VIGOROUSLY. OUR SPENDING ON STUDENT FINANCIAL ASSISTANCE WILL CONTINUE TO INCREASE TO CATER FOR THE NEEDS OF THE ELIGIBLE STUDENTS.

DESPITE THAT, WE DO REVIEW THE EFFECT OF THE POLICY EACH YEAR TO ENSURE THAT THE SCALE AND SCOPE OF THE LOCAL STUDENT FINANCIAL ASSISTANCE SCHEME IS ADEQUATE, AND THAT THERE IS NO UNDUE HARDSHIP ON FAMILIES WITH MARGINAL MEANS. UP TILL NOW, DESPITE THE RATHER VOCAL OPPOSITION BY SOME STUDENT GROUPS, AND DESPITE MY PERSONAL REQUEST TO THEM TO GIVE US CONCRETE CASES OF HARDSHIP, WE STILL DO NOT HAVE CLEAR EVIDENCE THAT THE PRESENT LEVEL OF TUITION FEES EXCEEDED THE AFFORDABILITY OF THE AVERAGE FAMILY WITH CHILDREN STUDYING IN TERTIARY INSTITUTIONS. MEMBERS MAY WISH TO NOTE THAT IN 1993-94, OUT OF A TOTAL OF NEARLY 24,000 APPLICANTS WHO SOUGHT FINANCIAL ASSISTANCE, OVER 88% HAVE SUCCEEDED AND ONLY LESS THAN 3% SOUGHT A REVIEW OF THEIR APPLICATIONS.

GIVEN THESE FACTS, IT WOULD BE IRRESPONSIBLE FOR THE ADMINISTRATION TO SUPPORT A FREEZE IN THE EXISTING LEVEL OF TUITION FEES. I SAY IRRESPONSIBLE BECAUSE IF WE WERE TO FREEZE THE FEES AT THE PRESENT LEVEL, IT COULD COST TAXPAYERS UP TO \$376 MILLION IN 1994-95 ALONE. MUCH OF THIS MONEY COULD HAVE BEEN AFFORDED BY THE STUDENTS' FAMILIES. IT COULD ALSO HAVE BEEN INVESTED MORE FRUITFULLY ON MORE ESSENTIAL SERVICES.

NEVERTHELESS, THE GOVERNMENT IS NOT OBLIVIOUS TO THE POSSIBILITY THAT A SUSTAINED INCREASE IN TUITION FEES COULD IMPOSE FINANCIAL STRAIN ON THOSE FAMILIES THAT MIGHT HAVE BEEN TRAPPED IN THE MARGINS OF THE STUDENT FINANCIAL ASSISTANCE SCHEME. WE ARE THEREFORE, AS PART OF OUR REVIEW, EXAMINING THE SCHEME TO SEE WHETHER WE NEED TO INTRODUCE SOME IMPROVEMENTS. BUT WE NEED TO TARGET THEM AT THE RIGHT FAMILIES, NOT INDISCRIMINATELY DISHING OUT FINANCIAL ASSISTANCE TO EVERYONE.

MR PRESIDENT, THIS HAS BEEN A USEFUL DEBATE. I AM GRATEFUL TO MEMBERS FOR THEIR PERCEPTIVE VIEWS AND IDEAS. BUT, FOR THE REASONS THAT I HAVE JUST STATED, WE CANNOT ACCEPT THE PLEA IN THE LAST PART OF THE MOTION TO FREEZE THE TUITION FEES AT THE EXISTING LEVELS. THE ADMINISTRATION WILL THEREFORE VOTE AGAINST THIS MOTION.

SAFETY OFFICERS A MUST FOR WORK SITES, SHIPYARDS

* * * * *

CONTRACTORS AND SHIPYARD PROPRIETORS EMPLOYING MORE THAN 100 WORKERS WILL BE REQUIRED TO EMPLOY A FULL-TIME SAFETY OFFICER UNDER A MOVE BY THE GOVERNMENT TO IMPROVE THE SAFETY STANDARDS OF THE INDUSTRIES.

IN ADDITION, SHIPYARD PROPRIETORS WILL BE REQUIRED TO APPOINT A SAFETY SUPERVISOR FOR EVERY SHIPYARD EMPLOYING 20 WORKERS OR MORE, ALREADY A REQUIREMENT FOR EACH CONSTRUCTION SITE.

THESE PROVISIONS ARE CONTAINED IN THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (SAFETY OFFICERS AND SAFETY SUPERVISORS) (AMENDMENT) (NO.2) REGULATION 1994 MADE BY THE COMMISSIONER FOR LABOUR ON MAY 23.

MOVING A MOTION AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) FOR THE APPROVAL OF THE REGULATION, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID THERE SHOULD BE SUFFICIENT SUPPLY OF REGISTERED SAFETY OFFICERS TO MEET THE ADDITIONAL DEMAND.

MR LEUNG ESTIMATED ABOUT 70 MEDIUM-SIZED CONTRACTORS AND EIGHT SHIPYARDS WOULD NEED TO EMPLOY FULL-TIME SAFETY OFFICERS.

AS AT JUNE 1, THERE WERE 955 REGISTERED SAFETY OFFICERS, INCLUDING 440 SERVING SAFETY OFFICERS AND FACTORY INSPECTORS.

"THE HONG KONG POLYTECHNIC, THE CONSTRUCTION INDUSTRY TRAINING AUTHORITY (CITA) AND THE CITY POLYTECHNIC OF HONG KONG ARE NOW RUNNING SAFETY OFFICER TRAINING COURSES FOR ABOUT 240 STUDENTS ANNUALLY," MR LEUNG SAID.

TO ALLAY SOME LEGISLATORS' AND THE HONG KONG CONSTRUCTION ASSOCIATION'S CONCERN ABOUT INSUFFICIENT SAFETY OFFICERS IN THE MARKET, THE GOVERNMENT HAS ASKED CITA TO OFFER INTENSIVE PART-TIME DAY RELEASE COURSE TO TRAIN UP MORE SAFETY OFFICERS.

"THE LABOUR DEPARTMENT WILL ALSO OFFER HELP TO ANY CONTRACTORS FACING DIFFICULTIES IN RECRUITING SAFETY OFFICERS," MR LEUNG ADDED.

IN ADDITION, THE GOVERNMENT HAS MADE ARRANGEMENT FOR PEOPLE HOLDING RELEVANT QUALIFICATIONS AWARDED BY COMMONWEALTH UNIVERSITIES AND POLYTECHNICS TO REGISTER AS SAFETY OFFICERS LOCALLY.

MR LEUNG SAID THE GOVERNMENT, IN RESPONSE TO THE REQUEST BY MEMBERS OF LEGCO, HAD AGREED TO EXTEND THE COMMENCEMENT DATE OF THE REGULATION FROM THE ORIGINAL PROPOSAL OF SIX MONTHS TO 12 MONTHS FOR PROPRIETORS AND CONTRACTORS TO RECRUIT SUFFICIENT QUALIFIED STAFF.

WEDNESDAY, JUNE 8, 1994

- 10 -

LAW TO DISCOURAGE SMOKING

* * * * *

THE GOVERNMENT HAS PROPOSED LEGISLATIVE AMENDMENTS IN ITS CONTINUED EFFORT TO DISCOURAGE THE PUBLIC FROM SMOKING.

MOVING THE SECOND READING OF THE SMOKING (PUBLIC HEALTH) (AMENDMENT) BILL 1994, THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, SAID THEY REPRESENTED A STEP FORWARD IN THE GOVERNMENT'S PROGRESSIVE APPROACH TOWARDS PROMOTING A HEALTHY COMMUNITY.

THE BILL PROPOSED TO REQUIRE THE MANAGER OF A RESTAURANT TO PLACE A SIGN IN A PROMINENT LOCATION IN, AND VISIBLE FROM OUTSIDE, THE RESTAURANT INDICATING WHETHER IT PROVIDES A NO-SMOKING AREA.

"THE PURPOSE IS TO ALLOW CUSTOMERS TO MAKE AN INFORMED CHOICE OF WHICH DINING PLACE TO PATRONISE," MRS WONG SAID.

"WE RECOGNISE THAT SOME RESTAURANTS MAY EXPERIENCE DIFFICULTY IN SETTING ASIDE A NO-SMOKING AREA, DUE EITHER TO DESIGN CONSTRAINTS OR CUSTOMERS' PREFERENCE. WE THEREFORE LEAVE THE CHOICE TO THEM," SHE EXPLAINED.

THE SECOND PROPOSAL EXTENDS THE EXISTING HEALTH WARNING REQUIREMENT AND ADVERTISING RESTRICTIONS ON CIGARETTES TO OTHER TOBACCO PRODUCTS.

"THIS IS TO ADVISE THEIR USERS THAT SMOKING THESE TOBACCO PRODUCTS IS ALSO HAZARDOUS," THE SECRETARY SAID.

THE THIRD PROPOSAL PROHIBITS THE SALE AND GIVING, AS PART OF A PROMOTIONAL EXERCISE, OF ANY TOBACCO PRODUCTS TO PERSONS UNDER THE AGE OF 18.

TO SUPPORT THIS MEASURE AND GIVING BACKING TO RETAILERS TO REFUSE SALE TO MINORS, A FOURTH PROPOSAL REQUIRES TOBACCO RETAILERS TO PUT UP A SIGN STATING THAT SELLING TOBACCO PRODUCTS TO MINORS IS PROHIBITED.

THIS WILL ENSURE THAT MINORS ARE MADE FULLY AWARE OF THE LAW AND THEY SHOULD NOT ATTEMPT TO BUY TOBACCO PRODUCTS.

RETAILERS CAN ASK FOR AGE IDENTIFICATION IF THEY ARE IN DOUBT AS TO THE PURCHASER'S AGE.

"PREVENTING YOUNG PEOPLE FROM SMOKING IS THE CENTRAL THEME OF OUR ANTI-SMOKING POLICY SINCE SMOKING ALMOST ALWAYS STARTS DURING THE TEENAGE YEARS," MRS WONG SAID.

SHE CONCEDED THAT LEGISLATION ALONE WOULD NOT ACHIEVE THE PURPOSE OF DISCOURAGING SMOKING AMONG YOUNG PEOPLE.

"COMMUNITY AWARENESS OF THE PURPOSE BEHIND THE BILL AND THE FULL BACKING OF OUR YOUNG PEOPLE WOULD BE NECESSARY IN ORDER TO ACHIEVE EFFECTIVE ENFORCEMENT," SHE SAID.

/"TO THIS

"TO THIS END, WE WILL BE ORGANISING A SERIES OF PUBLIC EDUCATION EVENTS IN THE COMING MONTHS TO PUBLICISE THE AIMS OF THE BILL AND TO SEEK THE COMMUNITY'S ENDORSEMENT," SHE ADDED.

MRS WONG ALSO PROPOSED TO ALLOW A REASONABLE LEAD TIME FOR AFFECTED PARTIES TO CARRY OUT PREPARATORY WORK TO IMPLEMENT THE NEW MEASURES.

"AS DIFFERENT GRACE PERIODS WILL BE NEEDED FOR DIFFERENT REQUIREMENTS, THE VARIOUS PROVISIONS IN THE BILL WILL COME INTO OPERATION ON DIFFERENT DATES," SHE SAID.

DEBATE ON THE BILL WAS ADJOURNED.

- - - - 0 - - - -

PROPOSALS ON HKSAR TRAVEL DOCUMENTS PUT TO THE CHINESE

* * * * *

PROPOSALS HAVE BEEN PUT TO THE CHINESE THROUGH THE JOINT LIAISON GROUP (JLG) ON WHAT STEPS TO TAKE TO ENSURE THAT THE HONG KONG SPECIAL ADMINISTRATIVE REGION (HKSAR) PASSPORT WOULD BE RECOGNISED AND ACCEPTED INTERNATIONALLY.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN REPLY TO A QUESTION BY THE HON ERIC LI IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"IN AUGUST 1992, WE PUT FORWARD PROPOSALS TO ENABLE HOLDERS OF THE HKSAR PASSPORT TO ENJOY A HIGH DEGREE OF VISA-FREE TRAVEL," HE SAID.

"WE ARE NOW DISCUSSING THESE PROPOSALS IN THE JLG," HE ADDED.

IN JULY 1993, PROPOSALS ON ELIGIBILITY FOR HKSAR TRAVEL DOCUMENTS, INCLUDING THE HKSAR PASSPORT, AND ON DETAILS OF THE DOCUMENTS AND ARRANGEMENTS FOR THEIR ISSUE WERE ALSO PUT FORWARD.

"WE HAVE NOT YET HAD ANY DISCUSSION WITH THE CHINESE ON THESE PROPOSALS; BUT WE HOPE TO START SUCH DISCUSSIONS IN THE NEAR FUTURE," MR ASPREY SAID.

MR ASPREY SAID HE COULD NOT GO INTO FURTHER DETAIL ON THE CONTENT OF THE PROPOSALS AS THE JLG DISCUSSIONS WERE CONFIDENTIAL.

HOWEVER, MR ASPREY HOPED AN EARLY AGREEMENT ON ARRANGEMENTS FOR THE ISSUE OF THE HKSAR PASSPORT AND OTHER TRAVEL DOCUMENTS COULD BE REACHED.

AS FOR THE EXPENDITURE INVOLVED, HE SAID DETAILS WERE NOT SUFFICIENT ENOUGH FOR CALCULATION.

- - - - 0 - - - -

- 12 -

REMOVAL ORDER APPEAL CHANNELS ADEQUATE
* * * * *

THERE ALREADY EXIST ADEQUATE AVENUES OF APPEAL AGAINST DECISIONS OF THE DIRECTOR OF IMMIGRATION TO ISSUE REMOVAL ORDERS TO ILLEGAL IMMIGRANTS, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO THE HON HENRY TANG'S QUESTION, MR ASPREY SAID THE APPEAL SYSTEM WAS REVIEWED EARLIER THIS YEAR, AND THE GOVERNMENT CONCLUDED THAT IT WAS NOT NECESSARY TO CHANGE THE PROCEDURES.

ANYONE AGAINST WHOM A REMOVAL ORDER HAS BEEN MADE CAN LODGE A STATUTORY APPEAL TO THE IMMIGRATION TRIBUNAL AND, SUBSEQUENTLY, CAN APPLY FOR JUDICIAL REVIEW.

IN ADDITION, AN ILLEGAL IMMIGRANT CAN LODGE A NON-STATUTORY APPEAL WITH THE GOVERNOR, FOR CONSIDERATION ON HUMANITARIAN GROUNDS.

"SINCE 1980, THESE APPEALS HAVE BEEN DELEGATED TO THE SECRETARY FOR SECURITY TO DECIDE AND REPLY ON THE GOVERNOR'S BEHALF.

"FINALLY, THERE EXISTS A REVIEW MECHANISM WITHIN THE IMMIGRATION DEPARTMENT TO RECONSIDER ANY CASE IN THE LIGHT OF ANY MATERIAL CHANGE IN CIRCUMSTANCES AFTER A REMOVAL ORDER HAS BEEN ISSUED," HE SAID.

- - - - 0 - - - -

POLICE REGULARLY PATROL HK WATERS
* * * * *

POLICE LAUNCHES ARE MOUNTING SPECIAL PATROLS EVERY DAY IN HONG KONG WATERS THAT ARE ASSESSED AS LIKELY CRIME AREAS, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY).

WHERE NECESSARY, OFFICERS FROM THE SMALL BOAT UNIT HELP INTERCEPT SUSPICIOUS BOATS, HE TOLD THE LEGISLATIVE COUNCIL IN HIS REPLY TO A QUESTION BY THE HON EDWARD HO.

POLICE HAVE LIAISON WITH THE HONG KONG AND KOWLOON CARGO AND TUGBOATS ASSOCIATION TO PUBLICISE PREVENTATIVE MEASURES THAT BOAT OWNERS AND OPERATORS CAN TAKE TO MINIMISE THE RISK OF BEING ROBBED.

SINCE 1993, 58 MAINLAND RESIDENTS HAVE BEEN PROSECUTED FOR THEFT AND POSSESSION OF INSTRUMENTS FIT FOR AN UNLAWFUL PURPOSE.

THERE WERE 10 ROBBERIES AT SEA WITHIN HONG KONG WATERS IN 1991, FOUR IN 1992, 18 IN 1993 AND THREE IN THE FIRST FIVE MONTHS OF THIS YEAR.

- - - - 0 - - - -

INVESTMENT IN PUBLIC HOUSING EXCEEDS \$200 BILLION

* * * * *

THE GOVERNMENT HAD INVESTED OVER \$200 BILLION AT TODAY'S PRICES IN PUBLIC HOUSING DEVELOPMENT, THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THE PUBLISHED ACCOUNTS OF THE HOUSING AUTHORITY FOR THE FINANCIAL YEAR 1992/93 SHOWS THAT, AMONG THE SUM, \$66.22 BILLION WAS THE VALUE OF LAND PROVIDED BY THE GOVERNMENT SINCE APRIL 1, 1973, \$26.28 BILLION WAS THE PERMANENT AND ADDITIONAL CAPITAL INJECTIONS SINCE 1988, WHILE \$18.06 BILLION WAS THE EXCESS OF MARKET VALUE OF LAND OVER LAND COST.

TOGETHER WITH CONTRIBUTIONS TO OTHER ITEMS, THIS BRINGS THE TOTAL TO \$125.88 BILLION.

IN A WRITTEN REPLY TO A QUESTION BY THE HON LEE WING-TAT, MR TSANG NOTED THAT ALL THE ABOVE FIGURES REPRESENTED THE HISTORICAL VALUE OF GOVERNMENT'S INVESTMENTS UP TO MARCH 31 LAST YEAR.

"TOGETHER WITH THE VALUE OF ADDITIONAL LAND FOR PUBLIC HOUSING PROVIDED IN 1993/94, THE TOTAL INVESTMENT AT PRESENT VALUE IS ESTIMATED TO BE WELL OVER \$200 BILLION," MR TSANG SAID.

- - - - 0 - - - -

SEWAGE SERVICES TRADING FUND

* * * * *

THE FINANCE COMMITTEE HAS APPROVED AN INITIAL CAPITAL OF \$6,800 MILLION FROM THE CAPITAL INVESTMENT FUND BE INJECTED INTO THE DRAINAGE SERVICES DEPARTMENT'S SEWAGE SERVICES TRADING FUND TO HELP FINANCE THE HIGH PRIORITY PROGRAMME OF THE SEWAGE STRATEGY.

SUBJECT TO APPROVAL BY THE LEGISLATIVE COUNCIL OF THE NECESSARY LEGISLATION, OPERATING COSTS OF SEWAGE SERVICES WOULD BE RECOVERED THROUGH SEWAGE CHARGES, THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, SAID.

IN A WRITTEN REPLY TO A QUESTION BY THE HON FUNG KIN-KEE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR TSANG SAID: "WE ARE NOT CONTEMPLATING FURTHER CAPITAL INJECTIONS AT THIS STAGE."

AS FOR THE ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT (EMSD) WHICH IS MOVING TOWARDS INCREASED COMMERCIALISATION IN ITS OPERATIONS, MR TSANG SAID IT MIGHT NEED AN UPFRONT INJECTION OF CAPITAL IN THE EARLY YEARS OF A TRADING FUND OPERATION.

"IN THAT CASE, WE WOULD CONSIDER GRANTING EMSD A LOAN RATHER THAN AN EQUITY INJECTION FROM THE CAPITAL INVESTMENT FUND," HE SAID.

BUT NO FIRM CONCLUSIONS ON TIMING OR THE AMOUNT REQUIRED HAVE BEEN REACHED, HE ADDED.

MEANWHILE, PLANS FOR THE POST OFFICE, OFFICE OF THE TELECOMMUNICATIONS AUTHORITY, MARINE DEPARTMENT AND WATER SUPPLIES DEPARTMENT ARE ALL AT EARLY STAGES OF DEVELOPMENT.

"IT IS TOO EARLY TO SAY WHETHER THESE DEPARTMENTS WILL OPERATE TRADING FUNDS, OR THE AMOUNT OF CAPITAL INJECTION THAT MAY REQUIRE," HE SAID.

- - - - 0 - - - -

SUITABILITY IS KEY FACTOR IN GOVERNMENT APPOINTMENTS

* * * * *

THE GOVERNMENT'S MAIN CONSIDERATION IN APPOINTING PERSONS TO THE VARIOUS TIERS OF REPRESENTATIVE GOVERNMENT AND ADVISORY BODIES IS THEIR SUITABILITY WITH REGARD TO THE WORK OF THE BODIES CONCERNED, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN REPLY TO A QUESTION FROM THE HON PEGGY LAM, MR SUEN SAID OTHER FACTORS, SUCH AS EXPERTISE, CALIBRE AND INTEGRITY OF THE APPOINTEES, WOULD ALSO BE TAKEN INTO ACCOUNT.

AS REGARDS THOSE APPOINTEES WHO HAVE REGULAR ACCESS TO CLASSIFIED MATERIAL, CHECKS WILL BE MADE AGAINST THE INDEPENDENT COMMISSION AGAINST CORRUPTION AND POLICE RECORDS IN RESPECT OF CONVICTIONS, INCLUDING THOSE RELATING TO TRIADS.

"AS WE DO NOT VET THE INTEGRITY AND MORAL CHARACTER OF APPOINTEES, THE NEED FOR ACTIVE MONITORING IN THESE ASPECTS DOES NOT ARISE," HE ADDED.

HOWEVER, MR SUEN SAID INVESTIGATION AND APPROPRIATE FOLLOW-UP ACTION WOULD BE TAKEN IF THERE WERE SERIOUS COMPLAINTS OR ALLEGATIONS CONCERNING THE MORAL CHARACTER AND INTEGRITY OF SUCH APPOINTEES.

AS TO THE QUESTION OF WHETHER APPOINTEES WILL BE ALLOWED TO REMAIN IN OFFICE IF THEY WERE FOUND TO HAVE LINKS WITH TRIADS AFTER THEIR APPOINTMENT, MR SUEN SAID THE SOCIETIES ORDINANCE HAD MADE VERY CLEAR PROVISIONS FOR INDICTMENT OF OFFENCES IN CONNECTION WITH TRIAD ACTIVITIES.

SINCE "ASSOCIATION WITH TRIADS" WAS NOT ONE OF THEM AND IT WAS NOT IN ITSELF AN OFFENCE, HE SAID THERE WAS NO QUESTION OF CONVICTION OR REMOVAL FROM OFFICE AS A RESULT OF "ASSOCIATION WITH TRIADS".

- - - - 0 - - - -

QUALITY OF DRINKING WATER EXTENSIVELY MONITORED

* * * * *

THE WATER SUPPLIES DEPARTMENT CARRIES OUT EXTENSIVE QUALITY MONITORING OF TREATED WATER SUPPLY IN HONG KONG ON AN ON-GOING BASIS IN ACCORDANCE WITH GUIDELINES OF THE WORLD HEALTH ORGANISATION (WHO).

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN A WRITTEN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR BLAKE SAID THE SCOPE OF MONITORING INCLUDES 18 ORGANIC AND NINE INORGANIC CONSTITUENTS WHICH WERE CONSIDERED OF HEALTH SIGNIFICANCE BY THE WHO.

THE ORGANIC DETERMINANTS COVER PESTICIDES, CHLORINATED HYDROCARBONS, POLYCYCLIC AROMATIC HYDROCARBONS AND PHENOLIC COMPOUNDS, WHILE INORGANIC DETERMINANTS ARE MAINLY HEAVY METALS, SUCH AS LEAD AND CADMIUM.

"IN THE PAST THREE YEARS, MOST OF OUR MONITORING RECORDS INDICATED THAT OUR DRINKING WATER WAS ESSENTIALLY FREE FROM SUCH POLLUTANTS; THE QUANTITY BEING SO SMALL THAT IT WAS BELOW THE DETECTION LIMITS OF THE SENSITIVE ANALYTICAL TECHNIQUES AND INSTRUMENTS," MR BLAKE SAID.

HE NOTED THAT IN RECORDS WHERE SOME TRACES OF POLLUTANTS WERE DISCOVERED, THE QUANTITIES MEASURED WERE WELL BELOW THE WHO'S GUIDELINE FOR DRINKING WATER QUALITY.

- - - - 0 - - - -

CRITERIA FOR RELEASING SCHOOL SITES EXPLAINED

* * * * *

A TOTAL OF 27 SCHOOL SITES HAVE BEEN RELEASED BY THE EDUCATION DEPARTMENT DURING THE PAST THREE YEARS IN ACCORDANCE WITH A SET OF CRITERIA, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON LI WAH-MING, MR LEUNG POINTED OUT THAT THE EDUCATION DEPARTMENT WOULD NOT RELEASE ANY SITES RESERVED FOR THE CONSTRUCTION OF SCHOOLS INCLUDING THOSE RESERVED IN PUBLIC HOUSING ESTATES OR HOME OWNERSHIP SCHEME ESTATES UNLESS FOR THE FOLLOWING REASONS: -

- * THE NEED FOR ADDITIONAL SCHOOL PLACES FOR WHICH THE SITES WERE ORIGINALLY RESERVED NO LONGER EXISTED BECAUSE OF DEMOGRAPHIC CHANGES; AND/OR
- * THE SITES WERE TOO SMALL TO MEET THE MODERN SCHOOL DESIGN STANDARDS; AND/OR
- * ON FURTHER INVESTIGATION, THERE WERE PHYSICAL CONSTRAINTS, RENDERING THE SITES UNSUITABLE.

/MR LEUNG

MR LEUNG SAID BEFORE A SITE WAS RELEASED, THE EDUCATION DEPARTMENT WOULD ENSURE THAT ANOTHER SITE WAS AVAILABLE TO MEET THE DEMAND FOR ADDITIONAL SCHOOL PLACES IF THERE WAS SUCH DEMAND.

"WHERE SUCH ADDITIONAL DEMAND RELATES TO PRIMARY SCHOOL PLACES, THE DEPARTMENT WILL, IN THE FINAL SELECTION OF AN ALTERNATIVE SITE, TAKE INTO CONSIDERATION THE VIEWS OF THE RESIDENTS CONCERNED, IN ADDITION TO SUCH OTHER FACTORS AS LOCATION, SIZE AND ENVIRONMENT."

HE SAID FROM TIME TO TIME THE EDUCATION DEPARTMENT CONDUCTED A REVIEW ON THE STOCK OF SITES RESERVED FOR SCHOOLS INCLUDING THEIR CONTINUED NEED AND SUITABILITY.

ON PRIMARY SCHOOL PROVISION, MR LEUNG EXPLAINED THAT THE TERRITORY WAS DIVIDED INTO 72 SCHOOL ZONES WHICH WERE MUCH SMALLER THAN THE ADMINISTRATIVE DISTRICTS.

"WITHIN EACH ZONE, SCHOOLS ARE PROVIDED CLOSE TO POPULATION CENTRES. THE QUESTION OF REMOTENESS AND HENCE INCONVENIENCE TO SCHOOL CHILDREN DOES NOT, THEREFORE, ARISE."

REGARDING SECONDARY SCHOOL PLACES, MR LEUNG SAID THEY WERE PROVIDED ON A TERRITORY-WIDE BASIS.

"IN BUILDING NEW SECONDARY SCHOOLS, CONSIDERATION IS ALWAYS GIVEN TO SITING THEM IN DISTRICTS WHERE THERE IS A SHORTFALL OF PLACES AND LOCATIONS CLOSE TO PUBLIC TRANSPORT FACILITIES," MR LEUNG SAID.

- - - - 0 - - - -

HKIED TO REVIEW ADMISSION CRITERIA

* * * * *

THE HONG KONG INSTITUTE OF EDUCATION (HKIED) WILL BE SHORTLY REVIEWING THE EXISTING ADMISSION CRITERIA, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHEUNG MAN-KWONG, MR LEUNG SAID THE REVIEW WOULD CONSIDER WHAT ADJUSTMENTS SHOULD BE MADE TO UPGRADE THE ENTRY REQUIREMENT TO AN ALL SECONDARY 7 ENTRY AND LINK UP WITH THE INTRODUCTION OF A DEGREE PROGRAMME IN THE NEAR FUTURE.

"INCLUDED IN THIS REVIEW WILL BE AN ASSESSMENT OF HOW THE EXISTING CERTIFICATE IN EDUCATION COURSES CAN COUNT TOWARDS THE DEGREE PROGRAMME," MR LEUNG SAID.

HE SAID THE ADMISSION CRITERIA ADOPTED BY THE HKIED IN THE 1994 ADMISSION EXERCISE WERE THE SAME AS THOSE INTRODUCED BY THE FOUR COLLEGES OF EDUCATION IN SEPTEMBER 1993.

THE PERFORMANCE OF THE STUDENTS ADMITTED UNDER THESE CRITERIA IS BEING MONITORED.

"A CONTINUOUS ASSESSMENT IS IN PLACE TO ENSURE THAT TRAINEE TEACHERS MUST REACH AN ACCEPTABLE LEVEL OF ACHIEVEMENT IN ACADEMIC STUDIES AND PRACTICAL TEACHING BEFORE THEY ARE ALLOWED TO GRADUATE," MR. LEUNG SAID.

"IN TAKING OVER THE COLLEGES OF EDUCATION IN SEPTEMBER THIS YEAR, THE HKIED IS COMMITTED NOT ONLY TO MAINTAINING BUT ALSO UPGRADING THE QUALITY OF TEACHER EDUCATION," HE STRESSED.

FOR THE ACADEMIC YEAR COMMENCING IN SEPTEMBER THIS YEAR, THE HKIED WILL BE OFFERING FULL-TIME CERTIFICATE IN EDUCATION COURSES OF TWO OR THREE YEARS IN DURATION.

THE TWO-YEAR COURSES ARE INTENDED FOR SECONDARY 7 LEAVERS WHO SHOULD :

- (1) HAVE OBTAINED GRADE E OR ABOVE IN AT LEAST TWO SUBJECTS IN THE HONG KONG ADVANCED LEVEL EXAMINATION OR EQUIVALENT; AND
- (2) HAVE OBTAINED, IN NOT MORE THAN TWO SITTINGS, GRADE E OR ABOVE IN AT LEAST SIX SUBJECTS INCLUDING CHINESE LANGUAGE AND ENGLISH LANGUAGE (SYLLABUS A OR SYLLABUS B) AT THE HONG KONG CERTIFICATE OF EDUCATION EXAMINATION (HKCEE), OF WHICH AT LEAST FOUR SUBJECTS SHOULD HAVE BEEN OBTAINED IN ONE SITTING; OR EQUIVALENT.

IN ADDITION, A HIGHER ENGLISH LANGUAGE REQUIREMENT IS STIPULATED FOR CANDIDATES WISHING TO TEACH IN ENGLISH.

THE THREE-YEAR COURSES ARE INTENDED FOR SECONDARY 5 LEAVERS WHO SHOULD HAVE OBTAINED THE QUALIFICATIONS STIPULATED IN PARAGRAPH (2) ABOVE.

THEY ARE ALSO REQUIRED TO SCORE 11 OR MORE POINTS IN AT LEAST SIX SUBJECTS AT THE HKCEE.

- - - - 0 - - - -

CHINESE LANGUAGE REQUIREMENT
FOR ADMISSION TO TECHNICAL COLLEGES UNDER REVIEW

* * * * *

THE TECHNICAL COLLEGE ACADEMIC BOARD WILL CONSIDER IN THE NEAR FUTURE IF CHINESE SHOULD BECOME AN ESSENTIAL ENTRY SUBJECT, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON CHEUNG MAN-KWONG, MR LEUNG SAID THE MOVE WAS MADE IN THE LIGHT OF CHANGING LANGUAGE NEEDS, INCLUDING THE FUTURE EMPLOYMENT FOR THE GRADUATES OF THE TECHNICAL COLLEGES.

HE NOTED IN SETTING THE ADMISSION REQUIREMENTS AND ENTRY QUALIFICATIONS, THE TWO TECHNICAL COLLEGES ONLY CONSIDERED THOSE SUBJECTS WHICH HAD DIRECT RELEVANCE TO THE COURSES UNDER APPLICATION.

"AS THE MEDIUM OF INSTRUCTION IN THE TWO TECHNICAL COLLEGES IS ENGLISH, THE ATTAINMENT OF A 'E' GRADE IN CHINESE LANGUAGE IS NOT AT PRESENT STIPULATED AS A PREREQUISITE FOR ENTRY INTO TECHNICAL COLLEGE COURSES.

"HOWEVER, A PASS AT GRADE E OR ABOVE IN CHINESE LANGUAGE AT THE HONG KONG CERTIFICATE OF EDUCATION EXAMINATION COULD ENHANCE THE CANDIDATES' OPPORTUNITY OF BEING ACCEPTED," HE SAID.

MR LEUNG POINTED OUT THAT THE TECHNICAL COLLEGES UNDER THE VOCATIONAL TRAINING COUNCIL WERE FREE TO FORMULATE THEIR OWN ADMISSION REQUIREMENTS, THOUGH IN PRACTICE THE CRITERIA ADOPTED BY THEM WERE BROADLY SIMILAR TO THOSE SET BY THE TWO POLYTECHNICS.

"REPRESENTATIVES OF THE TWO POLYTECHNICS AND OTHER TERTIARY INSTITUTIONS SIT ON THE COMMITTEE ON TECHNICAL EDUCATION OF THE VOCATIONAL TRAINING COUNCIL, WHICH IS TASKED TO APPROVE, AMONG OTHER THINGS, ENTRY REQUIREMENTS FOR THE TECHNICAL COLLEGES.

"THE COMMITTEE IS THEREFORE WELL PLACED TO CONSIDER THE MERITS OF FURTHER CHANGES TO MAKE THE SET OF ADMISSION REQUIREMENTS MORE CONSISTENT WITH THOSE OF THE POLYTECHNICS," MR LEUNG SAID.

- - - - 0 - - - -

POLYTECHNIC CLASSROOM UTILISATION NOT A PROBLEM

* * * * *

THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC) HAS ADVISED THE ADMINISTRATION THERE IS NO PROBLEM OF UNDER-UTILISATION OF CLASSROOMS IN THE HONG KONG POLYTECHNIC, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU, MR LEUNG SAID THERE WAS NO NEED TO INVESTIGATE THE UTILISATION OF CLASSROOMS IN THE INSTITUTION.

HE POINTED OUT THAT THE UPGC-FUNDED INSTITUTIONS WERE REQUIRED TO UNDERTAKE SPACE UTILISATION SURVEYS AT LEAST ONCE EVERY THREE YEARS TO GIVE AN OVERVIEW OF THE USE OF EXISTING BUILDINGS AND REPORT THE RESULTS TO THE UPGC.

THE HONG KONG POLYTECHNIC ACCORDINGLY CONDUCTED SUCH A SURVEY IN NOVEMBER 1992 AND SUBMITTED ITS REPORT ON THE SURVEY TO THE UPGC IN MARCH 1993.

THE UPGC NOTED THEN THAT THE USAGE OF GENERAL TEACHING AREAS, SUCH AS CLASSROOMS AND LECTURE THEATRES, WERE WELL ABOVE THE MINIMUM SPACE UTILISATION REQUIREMENTS LAID DOWN BY THE COMMITTEE, MR LEUNG SAID.

HE SAID THE POLYTECHNIC FOR INTERNAL MONITORING AND REPORTING PURPOSES, CONDUCTED A FURTHER SPACE UTILISATION SURVEY IN NOVEMBER 1993, AND FOUND THAT THE USAGE OF THE GENERAL TEACHING AREAS WERE ROUGHLY THE SAME AS IN THE PREVIOUS SURVEY.

"AS PART OF THE SURVEY PROCEDURES, DEPARTMENTS AT THE POLYTECHNIC WERE REQUIRED TO REPORT ON THE CANCELLATION OF CLASSES DURING THE SURVEY PERIOD."

HE SAID 236 HOURS OF DAYTIME CLASSES AND 79 HOURS OF EVENING CLASSES WERE REPORTED BY DEPARTMENTS AS HAVING BEEN CANCELLED. THE HOURS CANCELLED IN THE DAYTIME REPRESENT ABOUT SIX PER CENT OF THE TOTAL HOURS TIMETABLED DURING THE SURVEY PERIOD.

"THE UPGC UNDERSTANDS FROM THE POLYTECHNIC THAT IN MOST CASES THE CANCELLED CLASSES WERE RE-SCHEDULED AND MADE UP AT A LATER DATE," MR LEUNG SAID.

HE NOTED THAT THE UPGC WAS IN THE PROCESS OF UNDERTAKING A COMPREHENSIVE REVIEW OF THE SPACE AND ACCOMMODATION OF THE SEVEN UPGC-FUNDED INSTITUTIONS IN THE CONTEXT OF ITS REVIEW OF THE DEVELOPMENT OF HIGHER EDUCATION FROM 1991 TO 2001.

"THE REVIEW AIMS, INTER ALIA, TO ENABLE THE COMMITTEE TO HAVE A BETTER UNDERSTANDING OF THE PROVISION OF SPACE AND ACCOMMODATION IN THE UPGC-FUNDED INSTITUTIONS AND TO MAKE RECOMMENDATIONS REGARDING FUTURE PROVISION."

MR LEUNG SAID THE ADMINISTRATION UNDERSTOOD THAT THE HONG KONG POLYTECHNIC HAD PLANS TO EXPAND ITS CAMPUS FACILITIES AND THESE WOULD BE EXAMINED IN THE LIGHT OF THE RESULTS OF THE UPGC'S REVIEW.

- - - - 0 - - - -

HKU LOOKS INTO COPYRIGHT CASE

* * * * *

THE ADMINISTRATION IS AWARE THAT THE UNIVERSITY OF HONG KONG HAS INSTIGATED AN INTERNAL INVESTIGATION REGARDING A COPYRIGHT INFRINGEMENT CASE IMMEDIATELY FOLLOWING THE JUDGEMENT OF THE COURT OF APPEAL.

THIS WAS STATED TODAY (WEDNESDAY) IN THE LEGISLATIVE COUNCIL BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, IN REPLY TO A QUESTION BY THE HON EMILY LAU ON A CIVIL SUIT BETWEEN THREE ACADEMIC STAFF IN THE DEPARTMENT OF COMMUNITY MEDICINE OF THE UNIVERSITY.

"THE INVESTIGATION IS STILL CONTINUING AND THE UNIVERSITY IS AWAITING THE OUTCOME OF THE INVESTIGATION BEFORE CONSIDERING WHETHER ANY FURTHER ACTION SHOULD BE TAKEN," MR LEUNG SAID.

HE NOTED THAT THE DEFENDANT OF THE CASE, A READER AT THE UNIVERSITY, LOST A CIVIL SUIT FOR INFRINGEMENT OF COPYRIGHT AND MISUSE OF CONFIDENTIAL INFORMATION.

ON THE QUESTION WHETHER PLAGIARISM WAS COMMONPLACE AMONG THE TERTIARY INSTITUTIONS IN HONG KONG, MR LEUNG SAID THE ADMINISTRATION WAS AWARE THAT TERTIARY INSTITUTIONS HAD PROCEDURES AND GUIDELINES TO DEAL WITH INTERNAL DISCIPLINARY ISSUES SUCH AS ALLEGATIONS OF PLAGIARISM.

"THE ADMINISTRATION HAS ALSO BEEN INFORMED BY THE INSTITUTIONS THAT PLAGIARISM IS NOT COMMONPLACE IN HONG KONG," MR LEUNG SAID.

- - - - 0 - - - -

HKCAA RESPONSIBLE FOR LOCAL ACADEMIC ACCREDITATION

* * * * *

THE HONG KONG COUNCIL FOR ACADEMIC ACCREDITATION (HKCAA) IS NOT INTENDED TO ACCREDIT ACADEMIC COURSES OFFERED BY INSTITUTIONS OUTSIDE HONG KONG, THE SECRETARY FOR EDUCATION AND MANPOWER, MR MICHAEL LEUNG, SAID TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON ERIC LI IN THE LEGISLATIVE COUNCIL, MR LEUNG SAID THE PRIME RESPONSIBILITY OF HKCAA, AS HONG KONG'S INDEPENDENT ACCREDITING AUTHORITY, WAS TO UNDERTAKE ACADEMIC ACCREDITATION IN RELATION TO LOCAL NON-SELF-ACCREDITING TERTIARY INSTITUTIONS.

"NEVERTHELESS, THE HKCAA MAINTAINS REGULAR LIAISON WITH EDUCATIONAL AUTHORITIES IN CHINA, INCLUDING THE STATE EDUCATION COMMISSION AND THE ACADEMIC DEGREES COMMITTEE OF THE STATE COUNCIL," HE SAID.

MR LEUNG POINTED OUT THAT THE HKCAA HAD VISITED THESE AUTHORITIES AND HAD BEEN INVITED TO A NUMBER OF SEMINARS AND MEETINGS ON THE EVALUATION OF QUALITY IN HIGHER EDUCATION.

ALSO SENIOR OFFICIALS FROM THE STATE EDUCATION COMMISSION AND THE ACADEMIC DEGREES COMMITTEE HAD VISITED THE HKCAA AND TAKEN PART IN AN HKCAA SEMINAR IN HONG KONG LAST YEAR.

"THESE ACTIVITIES HAVE ENHANCED MUTUAL UNDERSTANDING AND FACILITATED EXCHANGE OF INFORMATION ON ACADEMIC STANDARDS," MR LEUNG SAID.

- - - - 0 - - - -

RAIL DEVELOPMENT STRATEGY NEARS COMPLETION

* * * * *

A DECISION ON THE NORTHWEST NEW TERRITORIES RAILWAY CANNOT BE MADE UNTIL THE RAILWAY DEVELOPMENT STRATEGY HAS BEEN FINALISED, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, SAID TODAY (WEDNESDAY).

"THIS IS FAST NEARING COMPLETION AND ENVISAGES A RAIL-LINK IN THE WESTERN CORRIDOR AS A STRATEGIC INFRASTRUCTURAL PROJECT," HE SAID.

THE LIKELY ALIGNMENT IS THROUGH THE NORTHWEST NEW TERRITORIES FROM THE BORDER TO THE URBAN AREA VIA KAM TIN AND WITH A SPUR LINE TO TIN SHUI WAI AND LINKING NORTH TUEN MUN.

IN HIS WRITTEN REPLY TO DR THE HON TANG SIU-TONG'S QUESTION IN THE LEGISLATIVE COUNCIL, MR BARMA SAID: "ONCE A DECISION ON THE RAILWAY IS TAKEN, WE WILL CARRY OUT ENGINEERING STUDIES TO CONFIRM THE DETAILED ALIGNMENT.

"THE TARGET DATE IS TO COMMISSION THIS NEW RAILWAY SYSTEM BY 2001 BUT WE WILL EXPLORE ALL PRACTICAL MEANS TO ACCELERATE THIS."

/MR BARMA

MR BARMA SAID DURING THE RAILWAY DEVELOPMENT STUDY, THE STUDY TEAM HAD A SERIES OF EXCHANGES WITH THE CHINESE RAILWAY AUTHORITIES ON RAILWAY DEVELOPMENT IN BOTH CHINA AND HONG KONG.

"WE HAVE KEPT THE CHINESE SIDE INFORMED OF THE STUDY FINDINGS AND WILL SEEK TO DISCUSS WITH THEM AGAIN ONCE THE RAILWAY DEVELOPMENT STRATEGY HAS BEEN FINALISED.

"SUCH DIALOGUE IS ESSENTIAL TO ENSURE THAT OUR RESPECTIVE PLANS FOR RAILWAY PROJECTS COMPLEMENT EACH OTHER," HE SAID.

ON RAIL CONNECTIONS TO CONTAINER TERMINALS 10 AND 11, MR BARMA SAID A SECOND PORT RAIL LINE TO SERVE THE FUTURE CONTAINER PORT ON LANTAU HAD BEEN IDENTIFIED IN THE STUDY AS A LONG-TERM PROJECT.

"THIS WILL REQUIRE FURTHER IN-DEPTH STUDY AT A LATER DATE," HE SAID.

- - - - 0 - - - -

TUNNEL SPEEDING OFFENCE
* * * * *

THERE IS NO REASON WHY SPEEDING IN TUNNELS SHOULD NOT ATTRACT DRIVING-OFFENCE POINTS AND, THUS, SERVE AS A FURTHER DETERRENT, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"THE ADMINISTRATION WILL SEE HOW THIS CAN BE BEST ACHIEVED AND TAKE THE NECESSARY STEPS TO AMEND THE LAW.

"WE WILL, IN THE SAME EXERCISE, IRON OUT OTHER DISCREPANCIES SO THAT, FOR EXAMPLE, THE SAME LEVELS OF FINE ARE IMPOSED UPON LIKE OFFENCES," HE SAID IN HIS WRITTEN REPLY TO THE HON MRS MIRIAM LAU'S QUESTION.

SPEEDING IS AN OFFENCE UNDER THE ROAD TRAFFIC ORDINANCE AND THE ROAD TRAFFIC (DRIVING-OFFENCE POINTS) ORDINANCE.

DRIVERS ON CONVICTION ARE LIABLE TO A FINE OF \$4,000 AND, IN ADDITION, CAN BE PENALISED BY EITHER THREE, FIVE OR EIGHT DRIVING-OFFENCE POINTS, DEPENDING ON THE SPEED IN EXCESS OF THAT ALLOWED.

MR BARMA SAID THERE WAS SEPARATE LEGISLATION TO DEAL WITH SPEEDING IN GOVERNMENT AND PRIVATE TUNNELS.

UNDER THE ROAD TUNNELS (GOVERNMENT) ORDINANCE, ANY PERSON WHO CONTRAVENES A SPEEDING OFFENCE IN A GOVERNMENT TUNNEL IS LIABLE ON FIRST CONVICTION TO A FINE OF \$5,000 AND TO IMPRISONMENT FOR THREE MONTHS AND ON SECOND OR SUBSEQUENT CONVICTIONS TO A FINE OF \$10,000 AND TO IMPRISONMENT FOR SIX MONTHS.

AS REGARDS A SPEEDING OFFENCE IN A PRIVATE TUNNEL, A CONVICTED MOTORIST IS LIABLE TO A FINE OF \$2,000 UNDER ITS RESPECTIVE BY-LAWS.

IN ADDITION, THE POLICE MAY PROSECUTE MOTORISTS FOR DANGEROUS DRIVING IF THEY EXCEED TUNNEL SPEED LIMITS, MR BARMA SAID.

- - - - 0 - - - -

YUEN LONG SOUTHERN BYPASS TO OPEN IN SEPTEMBER

* * * * *

THE YUEN LONG SOUTHERN BYPASS IS EXPECTED TO BE OPENED TO TRAFFIC BY THE END OF SEPTEMBER, THE SECRETARY FOR TRANSPORT, MR HAIDER BARMA, SAID TODAY (WEDNESDAY).

THE PROJECT WAS SCHEDULED TO COMPLETE IN MID-AUGUST, MR BARMA SAID, ADDING THAT PART OF THE DELAY WAS BECAUSE OF BAD WEATHER LAST YEAR.

"FOR THIS REASON, SOME EXTENSION OF TIME FOR THE COMPLETED CONTRACT WOULD BE JUSTIFIED," MR BARMA SAID.

IN HIS WRITTEN REPLY TO A QUESTION BY THE HON ZACHARY WONG, MR BARMA SAID THE CONTRACTOR WOULD BE LIABLE FOR LIQUIDATED DAMAGES IF THE HIGHWAYS DEPARTMENT CONSIDERED THE DELAY HAD ALSO BEEN CAUSED BY SLACK PERFORMANCE.

- - - - 0 - - - -

CONSUMERS NEED TO UNDERSTAND CONTRACT TERMS

* * * * *

EFFORTS TO EDUCATE CONSUMERS ARE IMPORTANT IN ENHANCING THEIR AWARENESS OF THE NEED TO UNDERSTAND THE CONTRACT TERMS BEFORE ENTERING INTO ANY CONTRACT, THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU, SAID.

THE CONSUMER COUNCIL IS DOING A GOOD JOB IN THIS REGARD, HE SAID IN HIS REPLY TO THE HON PANG CHUN-HOI'S QUESTION IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

"IT IS CURRENTLY STUDYING THE TERMS AND CONDITIONS OF CREDIT CARDS. THE RESULTS OF THE STUDY WILL BE PUBLISHED IN A FEW MONTHS' TIME."

AS FOR LEGISLATIVE MEASURES TO PROTECT CONSUMERS WHEN THEY ENTER INTO CONTRACTS WITH COMMERCIAL PARTIES, MR CHAU SAID THE GUIDING PRINCIPLE WAS TO STRIKE A BALANCE BETWEEN LOOKING AFTER CONSUMER INTERESTS AND PRESERVING FREEDOM OF CONTRACT.

THE CONTROL OF EXEMPTION CLAUSES ORDINANCE CONTROLS THE USE OF EXEMPTION CLAUSES BY SUPPLIERS OF GOODS AND SERVICES TO LIMIT THEIR CONTRACTUAL LIABILITIES TOWARDS CONSUMERS.

UNDER THE UNCONSCIONABLE CONTRACTS BILL INTRODUCED INTO THE LEGISLATIVE COUNCIL IN APRIL, CONSUMERS CAUGHT BY UNCONSCIONABLE CONTRACT TERMS COULD INITIATE CIVIL PROCEEDINGS AGAINST SUPPLIERS OF GOODS OR SERVICES.

AND THE COURT WOULD HAVE THE POWER TO REWRITE OR STRIKE DOWN UNCONSCIONABLE TERMS IN CONSUMER CONTRACTS.

"WE BELIEVE THAT THESE MEASURES WILL SET THE GROUND RULES UNDER WHICH BOTH CONSUMERS AND SUPPLIERS WOULD BE ABLE TO BARGAIN ON A MORE EQUAL BASIS.

"THESE MEASURES WILL BE IN ADDITION TO EXISTING REMEDIES AVAILABLE UNDER COMMON LAW ON THE GROUNDS OF EQUITABLE PRINCIPLES," MR CHAU SAID.

- - - - 0 - - - -

CONSUMERS BENEFIT FROM TAX CONCESSION

* * * * *

CONSUMERS HAVE BENEFITED FROM THE ABOLITION OF DUTIES ON SOFT DRINKS, ENTERTAINMENT TAX ON CINEMA TICKETS AND COSMETICS IMPOSED IN THE LAST TWO FINANCIAL YEARS.

IN REPLY TO A QUESTION BY DR THE HON HUANG CHEN-YA, THE SECRETARY FOR THE TREASURY, MR DONALD TSANG, SAID SEVERAL SURVEYS INDICATED THAT PRICES OF THESE PRODUCTS HAD GONE DOWN AFTER THE ABOLITION OF DUTIES.

MR TSANG SAID THREE SURVEY CONDUCTED BY THE CUSTOMS AND EXCISE DEPARTMENT IN 1992 IN RETAIL PRICES OF SOFT DRINKS AFTER THE TAX CONCESSION FOUND THAT PRICES HAD REDUCED BOTH AT THE WHOLESALE AND THE RETAIL LEVEL.

THE FIRST SURVEY IN MARCH 1992 FOUND THAT PRICES HAD, ON AVERAGE, DROPPED BY 7.2 PER CENT AT THE WHOLESALE LEVELS AND 4.5 PER CENT AT THE RETAIL LEVEL.

THIS MEANT THAT 96.7 PER CENT OF THE BENEFIT ARISING FROM THE TAX CONCESSION WAS PASSED ON AT THE WHOLESALE LEVEL AND 66.5 PER CENT AT THE RETAIL LEVEL.

A SIMILAR PRICE SURVEY CONDUCTED BY THE CONSUMER COUNCIL IN 1992 ALSO CONFIRMED THAT RETAIL PRICES OF SOFT DRINKS AT MAJOR RETAIL OUTLETS DURING THE THIRD QUARTER OF THE YEAR HAD STABILISED AT THE REDUCED LEVELS.

TO AVOID DISTORTIONS IN THE SURVEY RESULTS, SPECIAL PRICES OFFERED AT PROMOTIONAL SALES WERE NOT TAKEN INTO ACCOUNT IN ANY OF THE ABOVE SURVEYS.

IN LINE WITH THE UNDERTAKING BY THE TWO LARGEST CINEMA OPERATORS FOLLOWING THE 1992/93 BUDGET ON ABOLITION OF CINEMA TICKETS' ENTERTAINMENT TAX, TICKET PRICES ALSO REMAINED UNCHANGED UNTIL JUNE 1993.

A SURVEY CONDUCTED BY THE FRAGRANCE AND BEAUTY PRODUCTS IMPORTERS' AND DISTRIBUTORS' ASSOCIATION AMONG ITS MEMBERS IN MARCH 1993 SHOWED THAT MOST COSMETIC PRODUCTS AVAILABLE IN THE LOCAL MARKET WOULD HAVE A PRICE REDUCTION OF 10 TO 12 PER CENT BETWEEN MARCH AND MAY 1993.

- - - - 0 - - - -

POSITIVE STEPS TO IMPROVE BANK SERVICES FOR THE BLIND

* * * * *

THE HONG KONG ASSOCIATION OF BANKS HAS TAKEN POSITIVE STEPS TO IMPROVE ACCESSIBILITY TO BANKING SERVICES FOR THE SIGHT IMPAIRED IN RECENT YEARS, THE SECRETARY FOR FINANCIAL SERVICES, MR MICHAEL CARTLAND, SAID.

IT ISSUED A BEST PRACTICE GUIDE TO ITS MEMBERS IN 1992, RECOMMENDING PROCEDURES ABOUT THE PROVISION OF SERVICES TO THE SIGHT IMPAIRED.

THIS WAS SUPPLEMENTED BY TWO FURTHER GUIDELINES ISSUED IN JANUARY AND DECEMBER LAST YEAR. THE LAST OF THESE WAS DRAWN UP IN CONSULTATION WITH THE HONG KONG ASSOCIATION OF THE BLIND.

SUCH GUIDELINES ENCOURAGE BANKS TO MAKE AVAILABLE GENERAL BANKING FACILITIES TO THE SIGHT IMPAIRED ON THE SAME TERMS AND CONDITIONS AS FOR THE ORDINARY CUSTOMER PROVIDED THAT THEY FULLY UNDERSTAND THEIR OBLIGATIONS, RESPONSIBILITIES AND LIABILITIES IN CONNECTION WITH THE USE OF SUCH SERVICES.

IN A WRITTEN REPLY TO THE HON ZACHARY WONG WAI-YIN'S QUESTION IN THE LEGISLATIVE COUNCIL, MR CARTLAND SAID THE ASSOCIATION HAD KEPT IN TOUCH WITH THE HONG KONG ASSOCIATION OF THE BLIND TO CONSIDER IF FURTHER INITIATIVES TO IMPROVE SUCH ACCESSIBILITY COULD BE INTRODUCED.

THE GOVERNMENT DOES NOT SEE THE NEED FOR IT TO INTERFERE, HE SAID.

THE HONG KONG MONETARY AUTHORITY HAD RECEIVED SOME COMPLAINTS AGAINST CERTAIN BANKS IN RELATION TO REFUSAL TO PROVIDE CURRENT ACCOUNT AND AUTOMATIC TELLER MACHINE SERVICES TO THE SIGHT IMPAIRED.

ONE OF THE PRIMARY REASONS FOR CERTAIN BANKS NOT PROVIDING THESE SERVICES IS FOR THE PROTECTION OF SIGHT-IMPAIRED CUSTOMERS WHO ARE EXPOSED TO POTENTIAL RISKS ARISING FROM MISCOMMUNICATION AND MISUNDERSTANDING.

"IT IS PRUDENT FOR BANKS TO ENSURE THAT POTENTIAL CUSTOMERS ARE FULLY AWARE OF SUCH RISKS AND THE POSSIBLE DAMAGE THAT CAN BE CAUSED BY MISCOMMUNICATION OR MISUNDERSTANDING," HE SAID.

MOTIONS ON DEVELOPMENT OF HIGHER
EDUCATION AND RATES PASSED

* * * * *

THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) PASSED TWO MOTIONS MOVED BY THE HON TIK CHI-YUEN AND THE HON SZETO WAH RESPECTIVELY ON THE DEVELOPMENT OF HIGHER EDUCATION AND RATES.

THE FORMER MOTION WAS DEBATED FOR 90 MINUTES, TO WHICH THE SECRETARY FOR EDUCATION AND MANPOWER, MICHAEL LEUNG, REPLIED FOR THE GOVERNMENT. IT WAS PASSED BY A VOTING OF 35 TO SIX.

THE OTHER MOTION WAS MOVED BY THE HON SZETO WAH ON RATES WHICH STATED THAT THE COUNCIL REPROVED THE GOVERNOR, THE RT HON MR CHRISTOPHER PATTEN, ACTING AGAINST THE WILL OF THE PUBLIC IN REFUSING TO GIVE MEMBERS PERMISSION TO PROPOSE AMENDMENTS TO THE RESOLUTION ON RATES INTRODUCED ON MAY 18 TO RELIEVE THE RATES BURDEN ON THE PEOPLE OF HONG KONG. IT WAS PASSED BY 21 TO 11.

MEMBERS ALSO ASKED A TOTAL OF 19 QUESTIONS, 13 OF WHICH WERE GIVEN BY WRITTEN REPLIES.

MEANWHILE, A MOTION MOVED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MICHAEL LEUNG, ON THE FACTORIES AND INDUSTRIAL UNDERTAKINGS (SAFETY OFFICERS AND SAFETY SUPERVISORS) (AMENDMENT) (NO.2) REGULATION 1994 WAS PASSED.

THE AMUSEMENT RIDES (SAFETY) BILL AND THE ELECTORAL PROVISIONS (MISCELLANEOUS AMENDMENT) (NO.2) BILL 1994 WERE PASSED AT THE COUNCIL SITTING.