DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Tuesday, October 10, 1995

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New funding arrangements for ESF schools

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The Governor-in-Council has approved a government working group's (WG) recommendations that subsidies to the English School Foundation (ESF) schools should be brought into near complete parity with local schools, Deputy Secretary for Education and Manpower, Mr Kevin Mak, announced today (Tuesday).

Under the new arrangement, recurrent subsidy for ESF schools will be calculated according to the number of classes instead of cost per capita, with adjustment to be made to take account of the difference in class size between ESF and local aided schools.

In line with the practice of the aided sector, the capital subsidy for ESF schools will be based on 100 per cent of the construction cost of a standard local aided school, adjusted downwards to take account of the smaller enrolment in ESF schools plus a professional fee and related cost.

Mr Mak said the review was conducted to address concerns that the Government provided higher per capita subsidy for ESF students and better capital subsidy arrangements for ESF schools.

"The WG examined in detail the existing arrangements which were based on the recommendations made by a committee appointed in 1980 to review the application of the parity of subsidy principle.

"It found that the rationale behind some of them has become out-dated and changes are needed to achieve a closer parity of subsidy," Mr Mak said.

At present, the unit subsidy for ESF schools is in general higher than that for aided schools mainly due to the grossing-up factor, a bigger salary grant and the hardship grant.

Based on the recommendation of the WG, the Government has decided to remove the current grossing-up factor but retain the hardship grant in calculating the new recurrent subsidy. There will not be any changes to the salary grant.

Mr Mak said the existing grossing-up factor of 17.6 per cent was intended to provide for a much greater fluctuation in the number and distribution of pupils attending English speaking schools compared to other public sector schools.

"The Administration has decided to remove the grossing-up factor in line with the current arrangement for local aided schools because in present circumstances, the demand for ESF places is consistently high and fluctuations in enrolment have been greatly reduced," he said.

The Government also considered it inappropriate to align the ESF hardship grant with that of the local sector.

"In the local school sector, needy students in S 4 and S 5 are eligible to apply for financial assistance based on a general means test.

"On the other hand, in ESF schools, hardship grant is made available to families of students suffering from sudden and unexpected difficulties irrespective of the level of class they are attending," Mr Mak explained.

At present, the ESF salary grant is based on the 'actual' salaries as calculated on the aided school salary structure.

However, ESF schools, like some local aided schools, employ a higher proportion of experienced teachers who qualify for higher points on the Master Pay Scale than teachers in the average aided school.

The Administration did not recommend any change to this grant because the calculation of the ESF salary grant is consistent with the parity of subsidy principle, as it is on exactly the same basis as the calculation of salary grant for aided schools.

"The fact that ESF schools employ a higher proportion of experienced teachers than average aided schools is not in itself an argument for departing from the principle. The Administration therefore has decided against any change to this grant," Mr Mak said.

On capital subsidy, he pointed out that at present, a grant of 80 per cent of the standard cost of a primary school and 65 per cent in the case of a secondary school was provided by the Government with the remaining cost contributed by ESF.

"The WG recommended that the funding of ESF capital projects should be aligned to that for the local aided sector.

"The Government therefore has decided that a capital grant for an ESF building project should be based on 100 per cent of the building cost to Government of a standard aided school, adjusted downwards to take into account the smaller enrolment in an ESF school.

"In addition, a professional fee of 16 per cent should be payable in line with the practice in the aided sector. The 55 per cent interest free loan (IFL) for above standard provision should be removed to make the basis of ESF capital funding the same as that for aided schools," Mr Mak said.

To minimise any impact on ESF and considering the need of ESF for more up-front cash to fund their above-standard requirements, the Government has decided to allow ESF to convert up to 50 per cent of the capital grant into a loan from the Government.

This option will enable ESF to increase its cash flow at no additional cost to the Government.

Mr Mak pointed out that after the implementation of the new subsidy arrangement, total subsidies to ESF schools would be reduced by $12.6 million a year.

ESF school fees to be paid by parents will increase by 3.43 per cent or $1,066 a year for primary and $1,756 a year for secondary schools at 1993-94 prices.

"In order to reduce the impact of the fee increase on parents, it has been decided to phase in the changes in recurrent subsidy over a period of two years starting in September 1996, that is from the next school year.

"As to the capital subsidy, the changes will apply to new ESF school projects," Mr Mak said.

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Review on international school places

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The Government fully recognises the importance of international schools to the continued development of Hong Kong's economy and will continue its policy of support to non-profit making international schools to ensure an adequate supply of these school places to meet increasing demands.

This was stated today (Tuesday) by the Deputy Secretary for Education and Manpower, Mr Kevin Mak, following approval by the Governor-in-Council of the recommendations by a government working group (WG) set up last year to conduct an in-depth review on the provision of international school places and the Government's financial assistance to them.

Mr Mak pointed out that the WG had commissioned a consultant to conduct three independent surveys covering international schools, families and employers.

"Based on the findings of the consultant, the Government estimated that an additional 7,400 international school places will be required by year 2000. About 70 per cent of them, that is, around 5,180 places or roughly equivalent to five average size international school of 1,000 places each, are expected to be provided by non-profit making international schools, similar to the present situation," Mr Mak said.

He pointed out that the additional requirement would be partly offset by projects in the pipeline, such as the French, Canadian and Japanese international schools which would provide approximately 3,000 additional places between 1997 and 2000.

"The demand and supply situation will be reviewed by the Education Department annually," Mr Mak said.

He pointed out that the Government would continue to provide land grants at nominal premium to non-profit making international schools under an improved procedure.

"The Planning Department will conduct a systematic search for suitable sites, appropriate sponsoring bodies will be invited to apply for land grants and the applications will be considered by a newly-formed standing committee to be led by the Education Department," he said.

Under the new package, international schools will be provided with an interest-free capital loan up to 100 per cent of the cost of building a standard design public sector school. The loan can be used for building new primary or secondary schools, or for extension projects to meet an identified demand.

"This represents a significant improvement over the existing arrangement whereby capital assistance is available only for secondary school expansion projects in the context of the Direct Subsidy Scheme (DSS), and not to primary schools at all," Mr Mak explained.

Given the new arrangement for capital subsidy, the Government has decided that with immediate effect, no international schools will be admitted into the DSS. As for the four schools already admitted into the DSS, they will be phased out from the scheme gradually.

On admission policy, the Government considers it important that international schools should continue to serve mainly the target group(s) of students that they have publicly stated, for example, providing special educational needs for particular national, linguistic or cultural groups whose requirements cannot be adequately met within the existing school system.

"For those international schools whose student mix falls below a certain level, and which are clearly not achieving their objectives, the Director of Education is empowered to require them to rectify the situation. It is intended that this level should be set at 50 per cent," Mr Mak said.

Based on the forecast by the WG, the Government estimated that five school sites, each ranging from 6,000 to 9,000 square metres depending on efficiency of usage, will need to be granted at nominal premium to international school operators in the next five years.

Depending on the levels of primary/secondary classes, the interest-free loan that may be required for each school may range from $50 million to $69 million at current prices.

As at September 1994, there were 40 international schools in Hong Kong, with a total enrolment of 22,049.

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Secretaries to explain policy commitments

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The Attorney General, all policy secretaries, and the Commissioner, ICAC, will be briefing the Legislative Council and the media in the coming two weeks to explain in greater detail their policy commitments to be announced by the Governor, the Rt Hon Christopher Patten, in his Policy Address tomorrow (Wednesday).

Following is a tentative programme setting out the publicity activities relating to the Policy Commitments. Details for each of the individual press sessions will be announced prior to the event.

Date/Time	Policy Secretary
October 12 am	Mr Joseph Wong, Secretary for Education and Manpower Press briefing after LegCo briefing
October 13 am	Mrs Katherine Fok, Secretary for Health and Welfare LegCo briefing, visit to Wong Chuk Hang Complex for the elderly and media session
October 13 am	Mr Bertrand de Speville, Commissioner, ICAC Media session after LegCo briefing
October 14 am	Mr Michael Suen, Secretary for Home Affairs Media session after LegCo briefing
October 14 am	Mr Peter Lai, Secretary for Security Stand-up session after LegCo briefing
October 16 am	Mr Kwong Hon-sang, Secretary for Works LegCo briefing, visit to a landslip preventive programme site at Kwai Chung and media session
October 16 am	Mr Haider Barma, Secretary for Transport Media session after LegCo briefing
October 16 pm	Mr Gordon Siu, Secretary for Economic Services Stand-up session after LegCo briefing

October 16 pm	Mr Bowen Leung, Secretary for Planning, Environment and Lands Media session after LegCo briefing
October 17 am	Mr Rafael Hui, Secretary for Financial Services Media session after LegCo briefing
October 17 pm	Mr Dominic Wong, Secretary for Housing LegCo briefing, visit to a Home Ownership Scheme estate and media session
October 17 pm	Mr Michael Sze, Secretary for the Civil Service Press briefing after LegCo briefing
October 18 am	Mr Nicholas Ng, Secretary for Constitutional Affairs Stand-up session after LegCo briefing
October 18 am	Mr Jeremy Mathews, Attorney General Stand-up session after LegCo briefing
October 18 am	Mr K C Kwong, Secretary for the Treasury Media session after LegCo briefing
October 19 am	Mrs Rachel Cartland, Acting Secretary for Recreation and Culture LegCo briefing
October 19 am	Mr T H Chau, Secretary for Trade and Industry Stand-up session after LegCo briefing
October 19 pm	Mrs Rachel Cartland, Acting Secretary for Recreation and Culture Visit to the Hong Kong Academy for Performing Arts and media session

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Governor to explain Policy Address on TV and radio

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The Governor, the Rt Hon Christopher Patten, will give a five-minute broadcast on the main areas of his fourth Policy Address tomorrow (Wednesday).

The broadcast schedule is as follows:

Television station	Time
TVB (Jade)	5.45 pm
ATV (Home)	5.55 pm
TVB (Pearl)	6.20 pm
ATV (World)	6.50 pm
Wharf Cable (News)	6.30 pm

Radio station	Time
RTHK 1	5.05 pm
RTHK 3	5.05 pm
Metro Plus	6.30 pm
CR 2	5.03 pm
CR Quote 864	After Policy Address

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Stage two study on Hong Kong science park completed

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A consultancy study commissioned by Industry Department suggests Hong Kong will gain substantial and wide ranging benefits from the development of a science park.

The 100-page final report by Segal Quince Wicksteed (Asia) Ltd reaffirms the case for a science park in Hong Kong which it identified in the stage one study undertaken in 1992.

The consultants make detailed proposals for a science park in Hong Kong, including its role, market orientation, location and physical characteristics, organisation and management, linkages with other related organisations and the likely costs and benefits.

A key conclusion of the study is that by facilitating investment in high-technology industries and technology transfer a science park can play a crucial catalytic role in contributing to Hong Kong's prosperity.

Specifically, the science park will complement existing technology support in Hong Kong by encouraging inward investment in hi-tech sectors in Hong Kong, provide appropriate premises and technology services to promote the technology upgrading of the territory's existing knowledge-based industries, stimulate the development of value-added technology transfer services between Hong Kong, China and the rest of the world and improve links between the universities in Hong Kong and the industrial and business communities.

The consultants recommend a three-phrase development programme extending over 15 years.

The Government is studying the findings and recommendations of the consultants and before it decides on the proposal, it would like to seek the views of the community, in particular the industry and higher education sectors.

"We will consider carefully the consultancy report and take into account the views expressed during the consultation before deciding on the best way forward", said a spokesman for the Industry Department, which has been overseeing the conduct of the consultancy study.

The consultation will last until the end of December 1995 and views and suggestions can be sent to the Industry Department.

Copies of the Science Park Stage Two Study Report and its Executive summary can be obtained from the Industry Department. Copies of the Executive Summary are also available at District Offices of the Home Affairs Department from October 16, 1995.

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GEO publishes layman's guide to slope maintenance

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The Geotechnical Engineering Office (GEO) of the Civil Engineering Department has published a booklet to enhance public awareness on the importance of slope maintenance.

The guide, entitled Layman's Guide to Slope Maintenance, provides simplified guidance on how to maintain man-made slopes and retaining walls.

"It will be particularly useful to property owners, owners' corporations and property managers," a spokesman for GEO said today (Tuesday).

"The Layman's Guide to Slope Maintenance is an abridged version of the Geoguide 5 which was published last month. Members of the public may refer to the Geoguide 5 for detailed guidance to slope maintenance," he said.

Copies of the guide is now available free of charge at the District Offices or on request to the GEO slope maintenance hotline 2762 5165.

Meanwhile, Geoguide 5 is also on sale at $30 per copy from the Government Publications Centre, Low Block, ground floor, 66 Queensway, Hong Kong.

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Mental Health Month to launch this Sunday

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A month-long campaign to promote mental health will be kicked off this Sunday (October 15) afternoon at the Times Square in Causeway Bay.

The Mental Health Month aims to arouse public awareness of mental health and to promote the integration of the ex-mentally ill into the community. Emphasis will also be placed on work-related stress this year.

The event is jointly organised by the Health and Welfare Branch, the Hospital Authority, the Department of Health, the Social Welfare Department, the Baptist Oi Kwan Social Service, the New Life Psychiatric Rehabilitation Association and the Mental Health Association of Hong Kong.

More than 70 activities will be organised throughout the month, including seminars, exhibitions, workshops, visits, carnivals, competitions and athletic meets.

At the opening ceremony on Sunday, Professor Felice Lieh Mak, Executive Councillor, will read out the Proclamation for World Mental Health Day which falls on October 10 every year. This will be followed by band performances, a drama, a forum on the relationship between work and mental health and other activities.

Members of the public are invited to take part in these events. Information leaflets on the programmes are now available at all District Offices.

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Public invited to join education liaison sub-committee

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Members of the public are invited to join the Educational Services Liaison Sub-committee which is set up for the public to express views on educational services.

Mr Hu Shao-ming has been re-appointed chairman of the sub-committee.

He paid tribute to members of the last term of the sub-committee who had made valuable contributions in the past two years.

A spokesman for the Education Department said today (Tuesday): "The sub-committee was set up in November 1993 under the Board of Education as a channel for the public to exchange views with the Education Department on educational services and to make suggestions to improve the services.

"In order to gather views from different users of educational services, the membership of the sub-committee comprises three appointed members from the Board of Education, three parents, two students, two teachers, two school administrators, two members of the public and two representatives from the Education Department."

The spokesman said the sub-committee would meet four times a year and the meetings would be conducted in Chinese.

He added that regular visits to schools and the Education Department would be organised for members to have a better understanding of their operations.

Members of the public wishing to join the sub-committee can contact the Education Department's Serving Community Unit on telephone number 2961 7435 or fax number 2893 0718 to obtain application forms. Completed application forms should be sent to the Unit at Room 2328, 23rd floor, Wu Chung House, 213 Queen's Road East, Wan Chai, on or before November 2, 1995.

Members will serve a two-year term from November 1995 to October 1997.

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Chinese version of environmental report released

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The Environmental Protection Department today (Tuesday) released the Chinese version of "Environment Hong Kong 1995".

"Reporting on various aspects of environmental work carried out by the Government, the publication contains a series of feature articles providing easily readable material for the general public as well as reference material for those who are more interested in technical data," a spokesman for the department said.

The topics feature in the report include environmental impact assessment for the Shenzhen River Regulation Project, planning against air pollution, noise legislation, old and new landfills, clean technology and work of the local control offices.

"Members of the public may also be interested to know the existence of an environmental resource centre and a visitors centre where they can quickly pick up information on a wide range of environmental issues," the spokesman said.

At $74 a copy, the Chinese version of "Environment Hong Kong 1995" is now available at the Government Publications Centre on the ground floor, Low Block, Queensway Government Offices, 66, Queensway, Hong Kong. The English version of the report has been on sale since July.

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Applications invited for home mortgage assistance

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The Education Department is inviting eligible full-time employees holding subvented posts in aided and per caput grant schools to apply for assistance under the 1995-96 Mortgage Interest Subsidy Scheme (MISS).

A spokesman for the Education Department said today (Tuesday) that eligible staff are:

* those receiving a monthly basic salary equivalent to Master Pay Scale point 22 or above ($23,080 or more) and having a minimum of 10 years' continuous recognised services as at October 31, 1995; or

* those receiving a monthly basic salary below Master Pay Scale point 22, who have a minimum of 20 years' continuous recognised service as at October 31,1995.

The closing date for submitting applications is November 22.

"Circulars, application forms and relevant information leaflets will be sent to heads of schools tomorrow. Under the scheme, successful applicants will receive a monthly subsidy for payment of interest on their home mortgage loan," the spokesman said.

Enquiries about the scheme should be directed to the Mortgage Interest Subsidy Scheme Section on 2961 7406 or 2961 7409.

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Hong Kong Monetary Authority tender results

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Tender date	10 Oct 1995	10 Oct 1995
Paper on offer	EF bills	EF bills
Issue number	Q541	H575
Amount applied	HK$5,610 MN	HK$4,350 MN
Amount allotted	HK$1,500 MN	HK$800 MN
Average yield accepted	5.57 PCT	5.61 PCT
Highest yield accepted	5.58 PCT	5.62 PCT
Pro rata ratio	About 78 PCT	About 20 PCT
Average tender yield	5.59 PCT	5.63 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 16 Oct, 1995

Tender date	17 Oct 1995
Paper on offer	EF bills
Issue number	Q542
Issue date	18 Oct 1995
Maturity date	17 Jan 1996
Tenor	91 days
Amount on offer	HK$1,500+300 MN

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Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
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Opening balance in the account	2,677	0930	+500
Closing balance in the account	1,004	1000	+500
Change attributable to :		1100	+498
Money market activity	+494	1200	+498
LAF today	-2,167	1500	+498
		1600	+494

LAF rate 4.25% bid/6.25% offer TWI 122.0 *+0.2* 10.10.95

Hong Kong Monetary Authority

EF bills

Terms	Yield
1 week	5.47
1 month	5.53
3 months	5.59
6 months	5.62
12 months	5.67

EF notes

Term	Issue	Coupon	Price	Yield
2 years	2708	6.06	100.40	5.91
3 years	3807	6.16	100.07	6.22
5 years	5009	6.95	100.50	6.94
5 years	M501	7.90	102.50	7.38

Total turnover of EF bills and notes - $8,818 million

Closed October 10, 1995

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