



DAILY INFORMATION BULLETIN

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

WEDNESDAY, APRIL 1, 1992

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SALARIES TAX ALLOWANCES TO BE INCREASED NEXT YEAR
SUBJECT TO CONSTRAINTS

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THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, TODAY (WEDNESDAY) GAVE FIRM ASSURANCES TO MEMBERS OF THE LEGISLATIVE COUNCIL ABOUT HIS INTENTION TO ALLEVIATE THE TAX BURDEN ON THE LOWER AND MIDDLE INCOME GROUPS IN THE 1993-94 BUDGET.

THE ASSURANCES WERE GIVEN SUBJECT TO THE CONDITION THAT HONG KONG'S FINANCIAL POSITION AFTER THIS BUDGET CONTINUED TO BE AS FORECAST AND ON THE UNDERSTANDING THAT ALL THE REVENUE MEASURES IN THE BUDGET WERE PASSED.

"OTHERWISE, OUR FINANCIAL POSITION COULD HARDLY BE AS FORECAST IN THE BUDGET," HE SAID.

CONCLUDING THE DEBATE ON THE SECOND READING OF THE APPROPRIATION BILL 1992, MR MACLEOD SAID:

"IN MY NEXT BUDGET, SUBJECT TO THE CONSTRAINTS I HAVE JUST EXPLAINED, I CAN NOW CONFIRM THAT I PLAN TO INCREASE SALARIES TAX ALLOWANCES SUBSTANTIALLY. IN ADDITION, WE SHALL CARRY OUT A REVIEW OF TAX BANDS. WHILST I OBVIOUSLY CANNOT BE TOO SPECIFIC AT THIS STAGE, I WOULD ENVISAGE THE BENEFIT (AND INCIDENTALLY THE COST) OF THIS IMPROVEMENT IN THE BANDS AS BEING AT LEAST AS GREAT AS THAT INVOLVED IN INCREASING THE TAX ALLOWANCES. THE OVERALL AIM OF THESE IMPROVEMENTS WILL BE TO SUBSTANTIALLY LESSEN THE TAX LIABILITY OF THE SANDWICH CLASS."

NOTING THAT A NUMBER OF MEMBERS HAD ASKED HIM TO BE MORE SPECIFIC, THE FINANCIAL SECRETARY SAID HE HAD TO TREAD A DELICATE LINE AND IT WOULD BE IRRESPONSIBLE TO MAKE A COMPLETELY UNCONDITIONAL STATEMENT.

"CLEARLY, WE MUST HAVE REGARD TO ANY MAJOR CHANGES IN OUR PRESENT OR PROSPECTIVE FUTURE FINANCIAL POSITION.

"WE ALSO NEED TO GIVE CAREFUL THOUGHT TO WHERE IN THE TAX BAND CONCESSIONS WOULD BE MOST HELPFUL AND EQUITABLE. AND TO THE BALANCE BETWEEN IMPROVEMENTS TO THE TAX BANDS AND INCREASES IN THE ALLOWANCES," HE SAID.

MR MACLEOD SAID HE HAD ALREADY MADE IT CLEAR THAT HE DID NOT BELIEVE THAT TAXATION WAS THE PRIME CONCERN OF THE SANDWICH CLASS AND HE WAS CONVINCED THAT THEIR MAJOR ANXIETY WAS THE HIGH COST OF HOUSING.

"I MADE THIS ISSUE A PRINCIPAL THEME OF MY MAIDEN SPEECH IN THIS COUNCIL LAST NOVEMBER. AFFORDABLE HOUSING REMAINS A PRIORITY ITEM ON MY AGENDA," HE SAID.

/MR MACLEOD

MR MACLEOD SAID THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS HAD OUTLINED THE GOVERNMENT'S INITIAL THINKING AND HE CONFIRMED IT WAS THE GOVERNMENT'S INTENTION TO PRODUCE RECOMMENDATIONS ON POSSIBLE WAYS FORWARD WITHIN SIX MONTHS.

"BUT CLEARLY, OUR ABILITY TO FUND ANY SUCH RECOMMENDATIONS WOULD BE ADVERSELY AFFECTED IF ANY OF THE REVENUE RAISING MEASURES IN THIS BUDGET WERE NOT TO BE PASSED," HE SAID.

THE FINANCIAL SECRETARY REPEATED HIS EARLIER ASSURANCES TO LEGCO MEMBERS ON WORKING CLOSELY WITH THEM IN THE BUDGET EXERCISE.

"I BELIEVE THAT WE MUST CONTINUE TO DEVELOP ARRANGEMENTS FOR CONSULTING MEMBERS ON THE BUDGET," HE ADDED.

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FINANCIAL SECRETARY ON GOVERNMENT RESERVES

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THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, MAKES IT VERY CLEAR THAT HE DOES REGARD THE LEVEL OF RESERVES IN THE FORECAST AS ADEQUATE AND HE HAS NO HIDDEN AGENDA TO BUILD UP THE RESERVES EVEN HIGHER.

SPEAKING AT THE CONCLUSION OF THE RESUMED BUDGET DEBATE TODAY (WEDNESDAY) AT THE LEGISLATIVE COUNCIL, THE FINANCIAL SECRETARY SAID NOR SHOULD THE INCREASE IN PROFITS TAX BE SEEN AS THE START OF A TREND - PROVIDED THAT HIS OTHER REVENUE PROPOSALS WERE ACCEPTED.

HE SAID MANY MEMBERS HAD RIGHTLY IDENTIFIED THE MAINTENANCE OF ADEQUATE FISCAL RESERVES AS A KEY FEATURE OF HIS BUDGET STRATEGY.

THE FINANCIAL SECRETARY ALSO NOTED CONCERN HAD BEEN EXPRESSED THAT IN PLANNING FOR \$71 BILLION IN 1996-97, HE HAD SET THE TARGET TOO HIGH, ESPECIALLY AS THE GOVERNMENT WAS ONLY COMMITTED TO A FIGURE OF \$25 BILLION UNDER THE TERMS OF THE MEMORANDUM OF UNDERSTANDING ON THE AIRPORT CORE PROGRAMME.

THERE HAD ALSO BEEN CONCERNS THAT HE INTENDED TO GO ON RAISING TAXES IN FUTURE YEARS IN ORDER TO BUILD UP A HIGHER LEVEL OF RESERVES.

PUTTING THE FACTS TO ALLAY MEMBERS' ANXIETIES, THE FINANCIAL SECRETARY POINTED OUT THAT THE FORECAST FISCAL RESERVES FOR 1996-97 OF \$71 BILLION WAS IN 1996-97 PRICES AND THE FIGURE WOULD BE ONLY \$47 BILLION IF IT WERE EXPRESSED IN 1991 PRICES.

"IN 1992-93, THE FISCAL RESERVES WILL REPRESENT ABOUT 80% OF TOTAL EXPENDITURE. THIS IS NOT A RECORD HIGH. THE PEAK YEAR WAS 1990-91, WHEN THE RESERVES WERE THE EQUIVALENT OF 92% OF EXPENDITURE.

/"FAR FROM

"FAR FROM PLANNING A MASSIVE INCREASE IN THE RESERVES OVER THE NEXT FIVE YEARS, WE EXPECT THEM TO FALL AS A PROPORTION OF THE GOVERNMENT'S ANNUAL SPENDING. THEY WILL DECLINE FROM 80% OF EXPENDITURE IN 1992-93 TO ABOUT 40% IN 1996-97," HE SAID.

MR MACLEOD SAID HE HAD DETECTED AN IMPORTANT MISUNDERSTANDING ABOUT THE ROLE OF THE FISCAL RESERVES, AND OF THE \$71 BILLION FIGURE THE GOVERNMENT HAD FORECAST FOR 1996-97.

"IT IS A MISTAKE TO FOCUS UNDULY ON THE FIGURE WE HAVE FORECAST FOR THE END OF THE PLANNING PERIOD. WE NEED ADEQUATE FISCAL RESERVES SO THAT WE CAN DRAW ON THEM IF WE ENCOUNTER ADVERSE ECONOMIC AND FINANCIAL DEVELOPMENTS.

"IF WE ARE FORCED TO DRAW ON THEM, THEN OF COURSE THE RESERVES WILL BE CONSIDERABLY LESS THAN THE \$71 BILLION WE EXPECT BY THE END OF THE CURRENT PLANNING PERIOD. THE IMPORTANT POINT IS THAT WE SHOULD HAVE AN ADEQUATE CUSHION THROUGHOUT THE NEXT FIVE YEARS," HE SAID.

MR MACLEOD SAID HE DID NOT REGARD THE FORECAST RESERVES AS IN ANY WAY EXCESSIVE.

HE POINTED OUT THAT THE GOVERNMENT WAS COMMITTED TO SET ASIDE \$25 BILLION FOR THE FUTURE SAR GOVERNMENT IN 1997.

"WE ALSO HAVE TO ENSURE AN ADEQUATE CUSHION TO MEET FUTURE FLUCTUATIONS IN OUR ECONOMIC FORTUNES.

"THE CUSHION IS OUR BEST GUARANTEE THAT WE WILL NOT BE FORCED TO CUT BACK ON FUNDING FOR OUR KEY PROGRAMMES IF WE ENCOUNTER UNEXPECTED ECONOMIC DIFFICULTIES," MR MACLEOD SAID.

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REAL IMPROVEMENTS IN GOVT PROGRAMME AREAS: FS
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THERE ARE REAL IMPROVEMENTS IN SPECIFIC GOVERNMENT PROGRAMME AREAS WHICH WILL BENEFIT THE WHOLE COMMUNITY, THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID TODAY (WEDNESDAY).

CONCLUDING THE BUDGET DEBATE AT THE LEGISLATIVE COUNCIL, MR MACLEOD SAID EVEN WITH THE GOVERNMENT'S COMMITMENTS FOR THE AIRPORT CORE PROGRAMME, HE HAD BEEN ABLE TO PROVIDE FOR AN OVERALL INCREASE IN RECURRENT EXPENDITURE IN 1992-93 OF 15.4 PER CENT IN MONEY TERMS.

"IN SPECIFIC PROGRAMME AREAS, THIS TRANSLATES INTO A FIVE PER CENT REAL INCREASE IN EXPENDITURE ON EDUCATION, FOUR PER CENT ON SOCIAL WELFARE AND NINE PER CENT ON HEALTH CARE.

/"THESE ARE

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"THESE ARE REAL IMPROVEMENTS WHICH WILL BENEFIT THE WHOLE COMMUNITY AND THEY SHOULD NOT BE UNDERVALUED," HE SAID.

THE FINANCIAL SECRETARY SAID HE REGRETTED THAT SOME LEGISLATORS HAD CHOSEN TO DESCRIBE THESE SIGNIFICANT REAL INCREASES IN EXPENDITURE ON KEY SERVICES AS "NEGATIVE GROWTH", "CUTS" OR EVEN AS "SLASHING EXPENDITURE".

"THIS IS SIMPLY NOT CORRECT, BUT HAVING MADE THIS POINT, I DO ACCEPT THAT IT IS NOT EASY TO CALCULATE REAL GROWTH RATES FROM THE DRAFT ESTIMATES," HE SAID.

"I SHALL BE LOOKING AT WAYS OF IMPROVING THE PRESENTATION OF THE ESTIMATES NEXT YEAR," HE ADDED.

ON THE \$14.1 BILLION SURPLUS FOR 1991-92, MR MACLEOD SAID OVER HALF OF IT COULD BE LOOKED ON AS AN ACCOUNTING ILLUSION.

"IT IS SIMPLY THE RESULT OF DELAYED EXPENDITURE ON CAPITAL PROJECTS. THE MONEY WILL BE DRAWN ON IN SUBSEQUENT FINANCIAL YEARS AS THESE PROJECTS GET UNDERWAY," HE SAID.

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FS EXPLAINS HIS SALARIES TAX PROPOSALS

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THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, SAID TODAY (WEDNESDAY) THAT HIS SALARIES TAX PROPOSALS IN THE BUDGET WILL HELP TO MAINTAIN THE REAL VALUE OF THE DISPOSABLE INCOME OF THE MIDDLE AND LOWER INCOME GROUPS.

"THEY WILL NOT ADD TO INFLATION," MR MACLEOD SAID, WHEN CONCLUDING THE BUDGET DEBATE AT THE LEGISLATIVE COUNCIL.

HE STRESSED THAT MORE GENEROUS ALTERNATIVES, WHICH DID NOT HAVE FULL REGARD TO THE LONG-TERM FISCAL OR ECONOMIC CONSEQUENCES, WERE NOT IN THE INTERESTS OF ANY SECTION OF HONG KONG'S COMMUNITY.

HE COULD NOT ACCEPT THAT HIS PROPOSALS WERE UNREASONABLE.

"IT SEEMS TO ME THAT SOME OF THE CRITICISM IS THE RESULT OF A MISCONCEPTION THAT SALARIES TAX ALLOWANCES HAVE NOT KEPT PACE WITH INFLATION.

THIS ASSERTION DID NOT STAND UP TO SERIOUS SCRUTINY, HE SAID.

"THE SIMPLE FACT IS THAT SINCE 1980, PERSONAL ALLOWANCES HAVE REMAINED IN STEP WITH INFLATION."

IN ADDITION TO THESE INCREASES IN PERSONAL ALLOWANCES, MR MACLEOD SAID THE GOVERNMENT HAD CARRIED OUT PERIODIC REVIEWS OF THE TAX BANDING SYSTEM.

/HE SAID

HE SAID FIVE SUCH REVIEWS HAD BEEN CONDUCTED SINCE 1980 AND THE EFFECT: TAXPAYERS HAD BENEFITED FROM A REDUCTION IN THEIR EFFECTIVE TAX RATES.

HE SAID SEVERAL ALTERNATIVE PACKAGES HAD BEEN PROPOSED AND ATTRACTED SOME SUPPORT.

"THIS IS NOT SURPRISING AS MOST PEOPLE FIND THE THOUGHT OF PAYING LESS TAX PERFECTLY AGREEABLE.

"BUT THERE IS LITTLE LOGIC BEHIND THESE ALTERNATIVE PROPOSALS, AND THEY ARE ALL VERY EXPENSIVE," HE SAID.

THE FINANCIAL SECRETARY SAID THE PROPOSAL BY MEMBERS OF THE CO-OPERATIVE RESOURCES CENTRE (CRC) HAD SUGGESTED A 22 PER CENT INCREASE IN PERSONAL ALLOWANCES AND A WIDENING OF THE TAX BANDS. HE SAID OVER THE NEXT FIVE YEARS, THESE PROPOSALS WOULD COST AN ADDITIONAL \$18 BILLION.

THE MODIFIED PROPOSALS OF MEMBERS OF THE UNITED DEMOCRATS OF HONG KONG (UDHK) WOULD COST AN ADDITIONAL \$31 BILLION OVER THE NEXT FIVE YEARS.

HE ALSO COULD NOT ACCEPT THE CRITICISM OF SOME MEMBERS THAT HIS PROPOSALS HAD NOT CONTRIBUTED TO REDISTRIBUTING THE WEALTH OF THE COMMUNITY.

"I CANNOT ACCEPT THIS VIEW. I THINK THE NEEDS OF THE DISADVANTAGED ARE MOST EFFECTIVELY DEALT WITH BY CAREFULLY TARGETING OUR EXPENDITURE PRIORITIES," HE SAID.

HE ALSO RESTATED HIS APPROACH IN FRAMING HIS REVENUE PROPOSALS:

- * HE HAD CAREFULLY CHOSEN TAX CONCESSIONS WHICH PROVIDED RELIEF FOR ORDINARY FAMILIES.
- * HE HAD TAKEN ACCOUNT OF THE NEED TO REDUCE THE DEPENDENCE ON POTENTIALLY VOLATILE SOURCES OF REVENUE.
- * AND HE HAD BEEN CAREFUL TO AVOID ADDING TO INFLATIONARY PRESSURES.

HE ALSO SAID MEMBERS' ANXIETIES HAD BEEN MOST SHARPLY FOCUSED ON HIS SALARIES TAX PROPOSALS. HE SAID THE FACTS WERE:

- * PERSONAL INCOMES OTHER THAN SALARIES WERE GENERALLY EXEMPT FROM TAX.
- * THE STANDARD RATE OF SALARIES TAX HAD BEEN PROGRESSIVELY REDUCED SINCE THE MID 1980S FROM 17 PER CENT TO 15 PER CENT. HONG KONG AT PRESENT ENJOYED ONE OF THE LOWEST RATES IN THE WORLD.

- * OVER HALF OF HONG KONG'S WORKING POPULATION AT PRESENT PAY NO SALARIES TAX AT ALL.
- * OF THOSE WHO DID PAY SALARIES TAX, OVER 90 PER CENT PAY AT LESS THAN THE STANDARD RATE.
- * IN HIS BUDGET, HE HAD PROPOSED TO INCREASE SALARIES TAX ALLOWANCES BY AN AVERAGE OF OVER 12 PER CENT.
- * THIS WOULD RESULT IN EIGHT PER CENT OF SALARIES TAXPAYERS PAYING NO TAX AT ALL; AND A FURTHER 83 PER CENT WOULD HAVE THEIR TAX BILLS REDUCED.

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PROFITS TAX PROPOSAL NOT TREND FOR HEAVIER TAXES: FS

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THE PRESENT PROFITS TAX PROPOSAL SHOULD NOT BE REGARDED AS THE START OF A TREND OR A SLIPPERY SLOPE TOWARDS HEAVIER TAXES ON PROFITS.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, WHEN CONCLUDING THE BUDGET DEBATE AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR MACLEOD SAID HE WAS PLEASED THAT SO MANY MEMBERS HAD SUPPORTED A MODEST INCREASE IN PROFITS TAX.

"THERE IS A BROAD CONSENSUS THAT PROFITS AS WELL AS SALARIES SHOULD CONTRIBUTE TO THE PUBLIC REVENUE," HE SAID.

HE UNDERSTOOD THE CONCERN OF THOSE WHO FEARED THAT FURTHER INCREASES IN PROFITS TAX WOULD BLUNT THE COMPETITIVE EDGE AS A BUSINESS AND FINANCIAL CENTRE.

ON RATE PROPOSAL, MR MACLEOD SAID THE MODEST HALF-OF-ONE-PERCENTAGE POINT INCREASE STILL LEFT RATES NEAR THEIR HISTORICAL LOW.

"FURTHERMORE, RATES HAVE DECLINED AS A PROPORTION OF THE TOTAL COST OF ACCOMMODATION TO LESS THAN FOUR PER CENT.

"SO THE REAL IMPACT OF THE PROPOSED INCREASE WILL NOT BE SEVERE."

AND BECAUSE RATES BROADLY REFLECTED RATEPAYERS' ABILITY TO PAY, THE MIDDLE AND LOWER INCOME GROUPS WOULD BE THE LEAST AFFECTED, HE SAID.

ON SUGGESTION BY SOME MEMBERS TO EXTEND THE RATES RELIEF SCHEME INTRODUCED ON APRIL 1, 1991, HE POINTED OUT THAT THIS SCHEME WAS INTRODUCED AS A TEMPORARY MEASURE ONLY.

/"IT HAS

"IT HAS SERVED ITS PURPOSE. IF IT WERE EXTENDED FOR AN ADDITIONAL YEAR, LESS THAN SIX PER CENT OF DOMESTIC PROPERTY RATEPAYERS WOULD BENEFIT, AND THE COST TO THE REVENUE WOULD BE VERY HIGH: NEARLY \$900 MILLION FOR 1992-93," HE SAID.

HE SAID HE MENTIONED EARLIER THE NEED TO REDUCE THE DEPENDENCE ON RELATIVELY VOLATILE SOURCES OF REVENUE AND ONE OBVIOUS WAY OF DOING THIS WAS TO INTRODUCE A GENERAL SALES TAX.

"I SHOULD PREFER NOT TO INTRODUCE A NEW TAX OF THIS NATURE. I BELIEVE THAT MY PROPOSED MODERATE INCREASE IN GENERAL RATES OFFERS A STABLE AND PREDICTABLE ALTERNATIVE WHICH WOULD CONTRIBUTE NEARLY \$6 BILLION IN THE PERIOD TO 1996-97."

IN ADDITION TO AVOIDING THE NEED FOR A SALES TAX, MR MACLEOD SAID THE INCREASE IN RATES HAD HELPED HIM TO KEEP THE INCREASES IN INDIRECT TAXES PROPOSED IN HIS BUDGET TO VERY MODEST LEVELS.

"I HAVE BEEN ABLE TO AVOID ANY REAL INCREASE IN DUTIES.

"CHARGES FOR WATER, POSTAGE AND OTHER GOVERNMENT UTILITIES, WHICH ARE USUALLY INCREASED IN THE BUDGET PACKAGE, WILL INSTEAD BE ADJUSTED DURING THE YEAR TO MINIMISE THEIR IMPACT ON ORDINARY HOUSEHOLDS."

DEPARTMENTAL FEES AND CHARGES, WHICH WERE SUBJECT TO A MORATORIUM FOR NEARLY A YEAR, WOULD SIMILARLY BE PHASED IN CAREFULLY, HE SAID.

HE ADDED THAT THE GOVERNMENT COULD NOT AFFORD A CONCESSION AS SUGGESTED BY SOME MEMBERS THAT FEES AND CHARGES ON FEES AND CHARGES SHOULD NOT INCREASE AT ALL.

HE EXPLAINED THAT A COMPLETE FREEZE ON FEES AND CHARGES WOULD COST \$24 BILLION IN REVENUE FOREGONE IN THE PERIOD TO 1996-97.

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GOVT ACHIEVES TIGHT FINANCIAL CONTROL OF AIRPORT PROGRAMME

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THE GOVERNMENT IS ACHIEVING TIGHT FINANCIAL CONTROL OF THE AIRPORT CORE PROGRAMME (ACP) WITH THE INTRODUCED PLANNING AND COST MANAGEMENT PROCEDURES.

THIS WAS STATED BY THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, WHEN CONCLUDING THE BUDGET DEBATE AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOREOVER, MR MACLEOD SAID, THREE QUARTERS OF ACP CONTRACTS WOULD BE ON A FIXED PRICE LUMP-SUM BASIS, SO THE RISK OF COST OVERRUNS COULD BE MINIMISED.

/HE SAID

HE SAID THE PROCESS OF UPDATING AND REVISING THE FINANCIAL ASPECTS OF THE ACP HAD NOW BEEN COMPLETED.

THE DETAILS HAD BEEN SUPPLIED TO THE AIRPORT COMMITTEE AND WOULD BE EXPLAINED TO THE RELEVANT LEGISLATIVE COUNCIL AD HOC PANEL AND THE AIRPORT CONSULTATIVE COMMITTEE TOMORROW.

"WE WILL ALSO BE RELEASING THE INFORMATION TO THE PUBLIC," THE FINANCIAL SECRETARY SAID.

HE SAID THE COSTS TO BE BORNE BY THE GOVERNMENT REMAINED IN LINE WITH PREVIOUSLY PUBLISHED FIGURES. THESE COSTS WERE ALSO IN LINE WITH THOSE INCLUDED IN THE MEDIUM RANGE FORECAST ATTACHED TO HIS BUDGET SPEECH.

MR MACLEOD ADDED THAT FUNDS FOR THE ACP WOULD NEED TO BE CONSIDERED BY THE FINANCE COMMITTEE.

"AND IN RESPONSE TO MEMBERS' OWN REQUESTS, WE SHALL BE BRIEFING THE AD HOC PANEL, AND LATER FINANCE COMMITTEE, AS A BACKGROUND AGAINST WHICH THEY CAN ASSESS MORE DETAILED PROPOSALS FOR FUNDING INDIVIDUAL PROJECTS," HE SAID.

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LEGCO MEMBERS' CONTRIBUTIONS TO BUDGET IN GOOD TIME ESSENTIAL: FS
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THE FINANCIAL SECRETARY, THE HON HAMISH MACLEOD, HAS CLEARLY STATED HIS WILLINGNESS TO MEET EARLY IN THE BUDGET PROCESS TO HEAR MEMBERS' VIEWS ON PRIORITIES.

CONCLUDING THE RESUMED BUDGET DEBATE TODAY (WEDNESDAY) AT THE LEGISLATIVE COUNCIL, MR MACLEOD SAID THE CHANGED COMPOSITION OF THE LEGISLATIVE COUNCIL MADE IT ESSENTIAL THAT THE GOVERNMENT DEvised ARRANGEMENTS WHICH ENABLED LEGISLATIVE COUNCIL MEMBERS TO MAKE THEIR CONTRIBUTIONS TO THE BUDGET PROCESS IN GOOD TIME.

HE SAID HE STOOD READY TO START A DIALOGUE ON HOW BEST TO ACHIEVE THIS OBJECTIVE IN TIME FOR NEXT YEAR'S BUDGET.

DRAWING ATTENTION TO WHAT HE SAW AS A PARADOX IN THE RESPONSE TO HIS BUDGET, THE FINANCIAL SECRETARY SAID HE THOUGHT IT FAIR TO SAY THAT THE BUDGET HAD BEEN THE SUBJECT OF UNUSUALLY INTENSE SCRUTINY AND DEBATE IN THE LEGISLATIVE COUNCIL.

YET, HE THOUGHT IT ALSO TRUE THAT IN THE COMMUNITY AS A WHOLE, THE BUDGET HAD BEEN SEEN AS A BALANCED AND SENSIBLE PACKAGE.

/"I BELIEVE

"I BELIEVE THAT THIS PARADOX IS A SYMPTOM OF THE FACT THAT WE - THE LEGISLATIVE COUNCIL AND THE GOVERNMENT - ARE STILL DEVELOPING OUR WORKING RELATIONSHIP WITHIN THE FRAMEWORK OF OUR VERY UNUSUAL CONSTITUTION," HE SAID.

NOTING THAT MANY MEMBERS HAD MADE THE POINT THAT THE GOVERNMENT MUST NOT TREAT THE LEGISLATIVE COUNCIL AS IF IT WERE A RUBBER STAMP, MR MACLEOD ASSURED THAT THIS HAD NEVER BEEN THE GOVERNMENT'S INTENTION.

THE FINANCIAL SECRETARY POINTED OUT THAT BEFORE FRAMING THE BUDGET, THE GOVERNMENT LOOKED VERY CLOSELY AT THE MANIFESTOS OF THE ELECTED MEMBERS IN AN EFFORT TO IDENTIFY THEIR CONCERNS AND PRIORITIES.

HE EXPLAINED WHAT THE ADMINISTRATION HAD DONE TO ASCERTAIN THE VIEWS OF LEGCO MEMBERS BEFORE FRAMING THE BUDGET.

HE SAID THE GOVERNMENT ARRANGED A DISCUSSION WITH THE OMELCO - IN HOUSE IN DECEMBER.

"WE ISSUED THE FULL DRAFT ESTIMATES OF EXPENDITURE TO MEMBERS AND TO THE MEDIA A FULL 10 DAYS BEFORE BUDGET DAY.

"WE BRIEFED MEMBERS ON THE CONTENTS OF THE EXPENDITURE ESTIMATES ON THE FRIDAY BEFORE BUDGET DAY.

"WE HAVE MORE THAN DOUBLED THE AMOUNT OF TIME FOR MEMBERS' QUESTIONS IN THE SPECIAL MEETINGS OF FINANCE COMMITTEE.

"I HAVE ALSO MADE A POINT OF MEETING ANY MEMBER OF THIS COUNCIL, OR GROUP OF MEMBERS, WHO WISHED TO EXPRESS A VIEW ON THE BUDGET. UNFORTUNATELY, MANY OF THESE SESSIONS WERE FAR TOO LATE TO HAVE A MEANINGFUL IMPACT ON MY BUDGET STRATEGY FOR THIS YEAR," MR MACLEOD SAID.

THE FINANCIAL SECRETARY POINTED OUT THAT THE BUDGET WAS A COMPLEX PROCESS AND IT INVOLVED FAR MORE THAN SIMPLY LOOKING AT A LIST OF SUGGESTIONS AND SELECTING THE ONES WE LIKED THE LOOK OF.

"IN FACT, THE BUDGET PROCESS BEGINS VERY SOON AFTER THE PREVIOUS YEAR'S BUDGET HAS BEEN APPROVED.

"FOR EXAMPLE, THE PREPARATIONS FOR THIS YEAR'S BUDGET BEGAN WITH THE UPDATING OF THE MEDIUM RANGE FORECAST IN MAY LAST YEAR. THIS PROVIDED THE BASIS FOR ASSESSING THE PRIORITIES FOR ADDITIONAL EXPENDITURE, TAKING INTO ACCOUNT PAST POLICY DECISIONS, THE VIEWS EXPRESSED BY MEMBERS OF THIS COUNCIL AND THE COMMUNITY IN GENERAL.

"WE THEN APPLY OUR BUDGETARY GUIDELINES BEFORE ASSESSING THE IMPLICATIONS AND OPTIONS ON THE REVENUE SIDE OF THE BUDGET PACKAGE," MR MACLEOD EXPLAINED.

/HE SAID

HE SAID THE RESULT WAS A CAREFULLY BALANCED PACKAGE OF PROPOSALS WHICH TOOK ACCOUNT OF THE COMPETING NEEDS AND INTERESTS OF THE COMMUNITY, AS WELL AS OF THE GOVERNMENT'S ABILITY TO PAY, LOOKING NOT ONLY AT THE YEAR AHEAD BUT AT THE WHOLE PLANNING PERIOD.

FROM THE TIMESCALE OF THE BUDGET PROCESS, MR MACLEOD SAID IT WAS CLEAR THAT THE KEY TO A FRUITFUL EXCHANGE BETWEEN THE LEGISLATIVE COUNCIL AND THE GOVERNMENT WAS AN EARLY DISCUSSION OF PRIORITIES AND OBJECTIVES.

"THE VERY NATURE OF THIS PROCESS MEANS THAT HARD CHOICES HAVE TO BE MADE, BUT I HAVE NO DOUBT THAT, THROUGH CO-OPERATION, WE CAN MAKE THE PROCESS WORK," HE SAID.

MR MACLEOD SAID HE MUST MAKE IT CLEAR THAT HE HAD GREAT DIFFICULTY WITH THE IDEA THAT THE BUDGET PACKAGE COULD BE UNSCRAMBLED AND RENEGOTIATED ONCE IT HAD BEEN ANNOUNCED.

"THIS IS NOT TO TREAT THIS COUNCIL AS A RUBBER STAMP; IT IS SIMPLY TO ACKNOWLEDGE THAT THE BUDGET IS TOO COMPLEX AND TOO IMPORTANT TO BE RENEGOTIATED AT THE FINAL STAGE," HE SAID.

HE NOTED THAT SOME MEMBERS HAD MADE THE POINT THAT THEY SAW THE REDUCTION IN TOBACCO TAX LAST YEAR AS A PRECEDENT FOR REVISING THIS YEAR'S PACKAGE.

"I DO NOT AGREE. LAST YEAR'S INCREASE WAS A HEALTH MEASURE, NOT A REVENUE MEASURE, AND WOULD NORMALLY HAVE BEEN DEALT WITH OUTSIDE THE BUDGET FRAMEWORK," HE SAID.

"IT IS ONE THING TO ENSURE THAT THE VIEWS OF THIS COUNCIL AND THE COMMUNITY ARE TAKEN INTO ACCOUNT AS WE PREPARE OUR PROPOSALS. IT IS QUITE ANOTHER MATTER TO ACCEPT THE NOTION THAT THE PROCESS SHOULD BE OPEN-ENDED.

"DECISIONS MUST BE REACHED ON THE PROPOSALS PRESENTED TO THE LEGISLATIVE COUNCIL, AND WE CANNOT BECOME EMBROILED IN A PROTRACTED SERIES OF NEGOTIATIONS AFTER THE BUDGET SPEECH.

"SUCH A DEVELOPMENT WOULD BE A RECIPE FOR UNCERTAINTY AND INSTABILITY, AND IT COULD SERIOUSLY UNDERMINE CONFIDENCE IN HONG KONG AND ITS GOVERNMENT," HE SAID.

MR MACLEOD POINTED OUT THAT SUCH A DEVELOPMENT WOULD BE PARTICULARLY UNACCEPTABLE THIS YEAR.

"THIS BUDGET HAS BEEN CAREFULLY STRUCTURED TO DEAL WITH OUR EXPENDITURE AND REVENUE REQUIREMENTS, NOT ONLY FOR NEXT YEAR BUT FOR THE YEARS LEADING UP TO 1997.

"IT IS DESIGNED TO PROVIDE CERTAINTY TO THE BUSINESS COMMUNITY AND TO LENDERS TO OUR MAJOR INFRASTRUCTURE PROJECTS," HE SAID.

/HE SAID

HE SAID THE INDICATIONS WERE THAT THE PUBLIC SHARED THE GOVERNMENT'S BELIEF THAT THE BUDGET WOULD PROVIDE THIS CERTAINTY, AND THAT IT WOULD BE UNRAVELLED ONLY AT A HIGH COST, LITERALLY AND METAPHORICALLY, TO THE WHOLE COMMUNITY.

"FOR THESE REASONS, I HAVE MADE IT VERY CLEAR THAT I WILL NOT BE INTRODUCING ANY CHANGES TO THIS BUDGET. BUT I HAVE INDICATED A WILLINGNESS TO LOOK AT WAYS OF ADDRESSING SOME OF MEMBERS' KEY CONCERNS SEPARATELY," THE FINANCIAL SECRETARY SAID.

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SUBSTANTIAL RESERVES NEEDED FOR ROUGH TIMES: CS

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THE MAIN PURPOSE OF THE GOVERNMENT HAVING SUBSTANTIAL RESERVES IS TO ENSURE THAT THE ADMINISTRATION CAN GO ON PROVIDING PUBLIC SERVICES AT A REASONABLE LEVEL EVEN WHEN THE GOING GETS ROUGH.

THIS WAS STATED BY THE CHIEF SECRETARY, THE HON SIR DAVID FORD, IN THE RESUMED BUDGET DEBATE AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

SIR DAVID SAID THIS WAS ALL THE MORE IMPORTANT NOW THAT THE RANGE OF GOVERNMENT SERVICES WAS SO EXTENSIVE AND CONTRIBUTE SO HUGELY TO THE SOCIAL INFRASTRUCTURE OF HONG KONG.

"WE BELIEVE IT WOULD BE TOTALLY IRRESPONSIBLE OF THE GOVERNMENT TO LEAVE ESSENTIAL SERVICES VULNERABLE TO A DOWNTURN IN THE ECONOMY," THE CHIEF SECRETARY SAID.

IN THE ABSENCE OF ADEQUATE RESERVES SUCH A DOWNTURN MIGHT MEAN SEVERE CUT BACKS IN SUCH ESSENTIAL SERVICES AS THE POLICE, FIRE SERVICES, HOSPITAL SERVICES OR EDUCATION.

"I DO NOT ACCEPT THAT WE ARE BEING OVER CAUTIOUS.

"WE ARE ALL TOO CONSCIOUS OF THE UNPREDICTABILITY OF EVENTS, BOTH ECONOMICALLY AND POLITICALLY, IN THIS REGION AS WELL AS BEYOND."

SIR DAVID SAID HONG KONG WAS MORE VULNERABLE THAN MOST TO MAJOR CHANGES IN THE ECONOMIC OR POLITICAL FORTUNES OF NEIGHBOURING TERRITORIES OR THE WORLD AT LARGE.

TO PUT IT SIMPLY, HE SAID, AS A TRADING COMMUNITY HONG KONG RELIED ON A SETTLED INTERNATIONAL ENVIRONMENT AND STABILITY IN CHINA.

"AND ANYTHING WHICH UPSETS THIS, FOR EXAMPLE EVENTS IN CHINA IN 1989, THE GULF WAR, THE DISINTEGRATION OF FORMER SOVIET UNION ARE CLEAR REMINDERS OF THE IMPACT SUCH EXTERNAL EVENTS CAN HAVE ON OUR STABILITY AND FINANCIAL VIABILITY."

"A REASONABLE LEVEL OF RESERVES GIVES US THE CONFIDENCE TO PLAN LONG TERM. THE CERTAINTY THAT WE CAN CONTINUE TO LOOK AFTER THE PEOPLE OF HONG KONG BY MAINTAINING SERVICES," HE SAID.

SIR DAVID SAID THIS HAD BEEN ONE OF THE PRIMARY OBJECTIVES WITH THE BUDGET STRATEGY.

"WE MAY BE CRITICISED FOR BEING CONSERVATIVE OR TOO CAUTIOUS, BUT OUR PRUDENT MANAGEMENT OF HONG KONG FINANCES HAVE STOOD US IN GOOD STEAD OVER MANY YEARS, AND WE HAVE WEATHERED SOME TURBULENT ECONOMIC AND POLITICAL STORMS.

"WE BELIEVE THAT WE MUST NOT ALLOW THE EFFECTIVE VALUE OF OUR FINANCIAL CUSHION TO FALL TO A LEVEL WHICH COULD PUT IN JEOPARDY HONG KONG STABILITY AS WE APPROACH 1997," HE SAID.

THE CHIEF SECRETARY STRESSED THAT THE GOVERNMENT HAD NOT CHANGED COURSE IN THE BUDGET PHILOSOPHY.

"AS THE FINANCIAL SECRETARY HAS SAID IN HIS SPEECH, THE BUDGET PROPOSALS CAREFULLY BALANCE THE ASPIRATIONS OF THE COMMUNITY WITH OUR ABILITY TO MEET SUCH EXPECTATIONS.

"THESE ARE PROPOSALS FOR THE COMMUNITY AS A WHOLE. THIS IS THE SAME PHILOSOPHY THAT HAS SERVED US IN THE PAST."

HE SAID THE GOVERNMENT HAD NOT DISCARDED THE LONG ESTABLISHED PRINCIPLE OF LIMITING PUBLIC EXPENDITURE TO THE RATE OF GROWTH IN THE ECONOMY.

HE STRESSED THAT THE ADMINISTRATION STOOD FOUR SQUARE BEHIND THE FINANCIAL SECRETARY AND THE PACKAGE OF BUDGETARY PROPOSALS HE HAD PUT FORWARD.

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CS STRESSES IMPORTANCE OF INDEPENDENT AND PRESTIGIOUS JUDICIARY

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THERE CAN BE NO DOUBT THAT MAINTAINING AN INDEPENDENT AND PRESTIGIOUS JUDICIARY IS ONE OF THE GOVERNMENT'S MOST IMPORTANT TASKS, THE CHIEF SECRETARY, THE HON SIR DAVID FORD, SAID TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED BUDGET DEBATE AT THE LEGISLATIVE COUNCIL, SIR DAVID SAID IN STRIVING TO ACHIEVE THIS, THE GOVERNMENT MUST NOT ONLY MAKE SURE THAT THE MOST CAPABLE MEN AND WOMEN OF THE HIGHEST INTEGRITY WERE ATTRACTED TO THE JUDICIAL SERVICE, BUT ALSO THAT THE JUDICIARY AS A WHOLE WAS RUN IN THE MOST EFFICIENT AND COST-EFFECTIVE MANNER.

IN THE PAST FEW YEARS THERE HAD BEEN A SIGNIFICANT INCREASE IN THE JUDICIARY'S BUSINESS, BOTH IN TERMS OF WORKLOAD AND COMPLEXITY, HE SAID, ADDING THAT THIS HAD MADE THE JOB OF ADMINISTERING THE JUDICIARY EFFICIENTLY AND EFFECTIVELY ALL THE MORE DIFFICULT.

"I KNOW THAT THE LONG WAITING TIMES IN BRINGING CASES TO COURTS ARE OF REAL CONCERN," SIR DAVID SAID.

HE POINTED OUT THAT WITH THE CREATION OF THREE ADDITIONAL HIGH COURT JUDGE POSTS THE JUDICIARY WAS CONFIDENT THAT THE WAITING TIME COULD BE REDUCED ON AVERAGE BY ABOUT THREE MONTHS UNTIL THE END OF THE YEAR AND THEREAFTER AT AN INCREASED RATE.

"BUT THERE IS LIKELY TO BE A CONTINUING PROBLEM IN THIS AREA WHICH WILL HAVE TO BE ADDRESSED. IN THE MEANTIME WE WILL CONTINUE TO MONITOR THE SITUATION VERY CAREFULLY," SIR DAVID SAID.

HE ASSURED MEMBERS THAT THE ADMINISTRATION WOULD TAKE THE NECESSARY MEASURES TO ENSURE THAT THE JUDICIARY WAS EQUIPPED WITH THE NECESSARY MODERN MANAGEMENT INFORMATION SYSTEMS AND EQUIPMENT TO ENABLE IT TO CARRY OUT ITS WORK EXPEDITIOUSLY AND EFFECTIVELY.

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CHIEF SECRETARY ON CIVIL SERVICE PENSIONS

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THE GOVERNMENT IS AWARE THAT THERE ARE WORRIES IN THE CIVIL SERVICES ABOUT PENSIONS AND IS STILL EXPLORING WAYS TO MEET THE CONCERNS OF THE SERVICE, THE CHIEF SECRETARY, THE HON SIR DAVID FORD, SAID TODAY (WEDNESDAY).

SPEAKING AT THE RESUMED OF THE BUDGET DEBATE, SIR DAVID SAID THE GOVERNMENT HAD TRIED TO ADDRESS THE WORRIES BUT SOLUTIONS WERE NOT EASY.

"THEY WOULD INEVITABLY INVOLVE EITHER CONSIDERABLE CASH FLOW PROBLEMS IN THE SHORT TERM OR THE SETTING ASIDE OF A LARGE AMOUNTS OF RESERVES IN THE LONGER TERM," HE SAID.

IN REPLY TO POINTS BY SOME MEMBERS ON THE CIVIL SERVICE PENSIONS, SIR DAVID EMPHASISED THAT AS WITH MANY GOVERNMENTS WORLD WIDE, IT WAS THE ESTABLISHED POLICY OF THE HONG KONG GOVERNMENT THAT PENSIONS SHOULD BE PAID OUT OF RECURRENT GOVERNMENT EXPENDITURE.

"THERE IS NOTHING UNUSUAL ABOUT THIS. IT IS ANALOGOUS TO GOVERNMENT BEARING ITS OWN INSURANCE AND NOT TAKING OUT INSURANCE POLICIES," HE SAID.

SIR DAVID POINTED OUT THAT PENSIONS WERE PAID AS A STATUTORY RIGHT AND THEY WERE A STATUTORY FIRST CHARGE ON RECURRENT GOVERNMENT REVENUE.

LEGAL ADVICE WAS THAT THIS PROVIDED THE NECESSARY SECURITY. IN ADDITION CIVIL SERVICE PENSIONS WERE GUARANTEED IN THE JOINT DECLARATION AND BASIC LAW, HE SAID.

SIR DAVID ALSO POINTED OUT THAT IT WAS INCONCEIVABLE THAT THE HONG KONG GOVERNMENT, OR THE HONG KONG SARG IN THE FUTURE, WOULD BE UNABLE TO MEET THE ANNUAL COSTS OF PENSIONS.

"THE ANNUAL COSTS OF PENSIONS RANGE BETWEEN THREE PER CENT AND FIVE PER CENT OF RECURRENT ANNUAL EXPENDITURE AND ARE PROJECTED TO REACH A MAXIMUM FIGURE OF 5.2 PER CENT IN 2005."

HE POINTED THAT THERE MIGHT HAVE BEEN SOME MISUNDERSTANDINGS ABOUT THE POSSIBILITY OF A SUDDEN, UNEXPECTED PENSION BILL, IF THERE WAS AN EXODUS OF LARGE NUMBERS OF PENSIONABLE OFFICERS.

"THERE CANNOT BE AN UNEXPECTED PENSION BILL," HE SAID.

UNDER THE OLD PENSION SCHEME THE UPFRONT EXPENDITURE ON LUMP SUM PAYMENTS WOULD BE LIMITED TO 25 PER CENT; UNDER THE NEW PENSION SCHEME, NO MATTER WHEN AN OFFICER RESIGNED OR RETIRED - AS LONG AS HE HAD THE REQUISITE 10 YEARS' SERVICE - HE WOULD NOT RECEIVE HIS PENSION UNTIL HE REACHED PENSIONABLE AGE.

THE GOVERNMENT'S CALCULATION OF THREE TO FIVE PER CENT OF ITS EXPENDITURE THEREFORE REMAINED THE SAME, SIR DAVID SAID.

"INDEED IN THE LONG RUN, BEYOND 2012, IT IS LIKELY THAT PENSIONS EXPENDITURE WILL ACTUALLY REDUCE SLIGHTLY, DUE TO THE LONG TERM EFFECT OF THE NEW PENSION SCHEME WITH ITS GREATER LUMP SUM COMMUTATION BUT REDUCED PENSION PAYMENTS AND PENSIONABLE RETIREMENT AGE OF 60," THE CHIEF SECRETARY SAID.

REFERRING TO MEMBERS' COMMENTS ON THE IMPORTANCE OF AN EFFICIENT AND FORWARD-LOOKING CIVIL SERVICE, THE CHIEF SECRETARY SAID THERE WERE ON-GOING EFFORTS TO MODERNISE THE GOVERNMENT MACHINERY AND TO INCREASE PRODUCTIVITY, SUCH AS THE PUBLIC SECTOR REFORM PROGRAMME AND THE DEVOLUTION OF RESPONSIBILITIES.

"WE SHALL CONTINUE TO PURSUE SUCH OBJECTIVIES THROUGH THE NEW EFFICIENCY UNIT THAT WILL BE ESTABLISHED NEXT MONTH," HE ADDED.

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GOVT TO REVIEW POLICE SETUP

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THE GOVERNMENT PROPOSES TO REVIEW THE ENTIRE POLICE ESTABLISHMENT AND STRUCTURE DURING THIS FINANCIAL YEAR.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

/MR ASPREY

MR ASPREY SAID THE COMMISSIONER OF POLICE HAD ALREADY MADE CONSIDERABLE PROGRESS ON THIS, HAVING COMPLETED A REVIEW OF MANPOWER NEEDS FOR POLICE LAND REGIONS AND DISTRICTS WHICH ACCOUNTED FOR SOME 52 PER CENT OF OVERALL POLICE MANPOWER.

HE SAID THE REVIEW TEAM WOULD USE THIS AS A STARTING POINT, AND THEN MOVED ON TO CONSIDER THE NEEDS OF ALL OTHER POLICE FORMATIONS.

THE REVIEW TEAM WILL BE CHAIRED BY A DEPUTY COMMISSIONER OF POLICE, AND INCLUDE REPRESENTATIVES OF THE CIVIL SERVICE, FINANCE AND SECURITY BRANCHES WITH ASSISTANCE FROM A PRIVATE SECTOR CONSULTANT.

IT WILL REPORT TO A STEERING GROUP TO BE CHAIRED BY THE SECRETARY FOR SECURITY.

THE OBJECTIVE IS TO ENSURE THAT THE POLICE HAS THE RIGHT ESTABLISHMENT, MANAGEMENT AND STRUCTURE TO TAKE IT THROUGH THE REMAINDER OF THE 1990S.

MR ASPREY SAID THE GOVERNMENT SHARED THE CONCERN OF THE LEGCO AND THE COMMUNITY AS A WHOLE AT THE RECENT INCREASE IN VIOLENT CRIME, IN PARTICULAR ROBBERIES WITH FIREARMS OR IMITATION FIREARMS.

"BUT AT THE SAME TIME WE SHOULD NOT EXAGGERATE THE PROBLEM.

"BY ANY COMPARISON WITH OTHER MAJOR CITIES, HONG KONG'S CRIME RATE REMAINS LOW, AND WE HAVE A WELL MANNED, WELL MOTIVATED AND WELL EQUIPPED POLICE FORCE," HE SAID.

MR ASPREY ASSURED LEGCO MEMBERS THAT THE GOVERNMENT HAD ALWAYS SOUGHT TO PROVIDE THE POLICE WITH THE EQUIPMENT THEY NEED.

HE SAID ESTIMATED EXPENDITURE ON POLICE EQUIPMENT IN 1992/93 REPRESENTS A 225 PER CENT INCREASE ON EXPENDITURE IN 1989/90, AND A 16 PER CENT INCREASE ON EXPENDITURE LAST FINANCIAL YEAR.

MR ASPREY SAID THE POLICE WERE AT PRESENT REVIEWING THEIR REQUIREMENTS FOR ARMS AND AMMUNITION FOR POLICE OFFICERS ON DAILY PATROL.

BUT HE CAUTIONED THAT NEW AND ADDITIONAL EQUIPMENT WAS NOT THE WHOLE ANSWER TO THE PROBLEM OF VIOLENT CRIME, IN PARTICULAR RECENT ARMED ROBBERIES, NOR TO THE PROBLEM OF SMUGGLING WITHIN THE WATERS OF HONG KONG.

"OTHER MEASURES IN THE FORM OF IMPROVED INTELLIGENCE, DEPLOYMENT OF MANPOWER, AND LIAISON AND CO-OPERATION WITH CHINA ARE ALSO REQUIRED," HE SAID.

ON THE PROBLEMS OF POLICE RECRUITMENT AND RETENTION, MR ASPREY SAID THE PROVISION IN THIS YEAR'S BUDGET WAS NOT A CONSTRAINT ON RECRUITMENT.

HE SAID THE GOVERNMENT WOULD TRY TO ENSURE THAT THE POLICE WOULD BE ABLE TO RECRUIT SOME 1,600 ADDITIONAL JUNIOR POLICE OFFICERS.

/THE SECRETARY

THE SECRETARY SAID IN ORDER TO HELP THE POLICE ACHIEVE THIS TARGET, THE GOVERNMENT HAD ESTABLISHED A REVIEW TEAM UNDER THE SECRETARY FOR THE CIVIL SERVICE, AND WITH REPRESENTATIVES FROM THE POLICE, FINANCE BRANCH AND SECURITY BRANCH, TO EXAMINE THE CAUSES OF RECRUITMENT AND RETENTION DIFFICULTIES IN THE FORCE AND TO RECOMMEND SOLUTIONS.

"WE EXPECT THE REPORT TO BE AVAILABLE BY THE MIDDLE OF THIS MONTH," HE SAID.

"WE WILL SEEK TO IMPLEMENT AS QUICKLY AS WE CAN ANY RECOMMENDATIONS, SEEKING THE ADVICE WHERE NECESSARY FOR THE STANDING COMMITTEE ON DISCIPLINED SERVICES SALARIES AND CONDITIONS OF SERVICE," HE ADDED.

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\$300M MORE TO MAKE QUALITATIVE IMPROVEMENTS
IN SCHOOLS SECTOR

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THE GOVERNMENT IS TO ALLOCATE AN ADDITIONAL \$300 MILLION TO IMPROVE THE QUALITY OF EDUCATION IN THE SCHOOLS SECTOR OVER THE NEXT THREE YEARS, THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID.

SPEAKING AT THE RESUMED DEBATE ON THE APPROPRIATION BILL 1992 AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR CHAN ANNOUNCED THAT THIS NEW ALLOCATION WOULD ENABLE A COMPREHENSIVE PACKAGE OF IMPROVEMENTS, INCLUDING ALL NEW POLICIES ARISING FROM THE EDUCATION COMMISSION'S REPORT NO. 4 (ECR4), TO PROCEED IN SEPTEMBER THIS YEAR OR AS SOON AS POSSIBLE THEREAFTER.

THE PACKAGE WILL COST \$400 MILLION OVER THE NEXT THREE YEARS.

MR CHAN IS CONFIDENT THAT THE INJECTION OF FRESH FUNDS, COUPLED WITH ALLOCATIONS IN THE BUDGET AND FURTHER REDEPLOYMENT OF EXISTING RESOURCES, WILL MEET THE NEEDS OF QUALITATIVE IMPROVEMENTS IDENTIFIED THUS FAR.

THE IMPROVEMENTS ARISING FROM ECR4 INCLUDE THE NEW POLICY ON THE MEDIUM OF INSTRUCTION IN SCHOOLS, THE ESTABLISHMENT OF THE CURRICULUM DEVELOPMENT INSTITUTE, THE SETTING OF ATTAINMENT TARGETS AND THE IMPLEMENTATION OF RELATED ASSESSMENTS.

ALSO INCLUDED ARE THE PROVISION OF STUDENT GUIDANCE TEACHERS UNDER THE WHOLE SCHOOL APPROACH, THE ENHANCEMENT OF SCHOOL-BASED COUNSELLING SUPPORT IN SECONDARY SCHOOLS, VARIOUS LANGUAGE BRIDGING COURSES, THE PROVISION OF SKILLS OPPORTUNITY SCHOOLS, INCREASED USE OF THE ACTIVITY APPROACH, PROGRAMMES FOR THE ACADEMICALLY GIFTED AND PILOT SCHEMES TO FACILITATE TRANSFERS TO PREVOCATIONAL SCHOOLS.

/REFERRING TO

WEDNESDAY, APRIL 1, 1992

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REFERRING TO THE ONLY OUTSTANDING ITEM IN ECR4, MR CHAN SAID: "WE HAVE NOT YET TAKEN A VIEW ON THE RECOMMENDATION ON MIXED-MODE PRIMARY SCHOOLING, BUT I EXPECT A DECISION TO BE MADE SOON."

MR CHAN SAID THE ADDITIONAL ALLOCATION OF \$300 MILLION HAD BEEN MADE POSSIBLE BY NEW STUDENT NUMBER PROJECTIONS FOR THE TERTIARY SECTOR.

"WHEN THE GOVERNMENT DECIDED IN 1989 TO PROVIDE FIRST-YEAR, FIRST-DEGREE PLACES FOR AT LEAST 18 PER CENT OF THE 17-20 AGE GROUP BY 1994-95, THE TARGET TRANSLATED INTO APPROXIMATELY 15,000 PLACES ON THE BASIS OF POPULATION PROJECTIONS AVAILABLE AT THE TIME. FUNDING HAS THEREFORE BEEN PROVIDED FOR THIS NUMBER," HE EXPLAINED.

"WE NOW KNOW FROM THE 1991 CENSUS THAT THERE WILL BE FEWER STUDENTS IN THE RELEVANT AGE GROUP. IT HAS THEREFORE BEEN POSSIBLE TO REVISE THE PROVISION TO 14,500 FIRST-YEAR, FIRST-DEGREE PLACES BY 1994-95, WITH RESULTANT SAVINGS, AND STILL MEET THE 18 PER CENT TARGET.

"AFTER CONSULTING THE CHAIRMAN OF THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC), WHO HAS IN TURN DISCUSSED WITH THE HEADS OF THE TERTIARY INSTITUTIONS, IT HAS NOW BEEN CONFIRMED THAT \$300 MILLION OUT OF THE \$18.2 BILLION PREVIOUSLY ALLOCATED TO THE UPGC CAN BE MADE AVAILABLE FOR RE-ALLOCATION.

"THE FINANCIAL SECRETARY HAS MOST HELPFULLY AGREED THAT THESE FUNDS SHOULD BE DEPLOYED IN THEIR ENTIRETY TO THE SCHOOLS SECTOR," HE SAID.

ON CONCERNS EXPRESSED BY COUNCIL MEMBERS ON EDUCATION FUNDING PROVIDED WITHIN THE DRAFT ESTIMATE FOR 1992-93, MR CHAN REFUTED CLAIMS THAT THERE HAD BEEN ANY CUT-BACK IN EXPENDITURE.

THE PROPOSED OVERALL ALLOCATION FOR 1992-93 IS FIVE PER CENT ABOVE THE REVISED ESTIMATE FOR 1991-92. THIS INCREASE IS IN LINE WITH GDP GROWTH AND DOES NOT AS YET TAKE INTO ACCOUNT POSSIBLE SALARY ADJUSTMENTS IN 1992-93.

THERE IS AN INCREASE OF 1.5 PER CENT IN THE ALLOCATION TO THE SCHOOLS SECTOR. THIS INCREASE DOES NOT EVEN TELL THE WHOLE STORY.

FOR EXAMPLE, SOME FUNDING EARMARKED SEPARATELY FOR IMPLEMENTING TWO KEY RECOMMENDATIONS IN THE ECR4 HAS YET TO BE CAPTURED UNDER HEAD 40 : EDUCATION DEPARTMENT WHILE SOME PROVISION HAS BEEN TAKEN OUT OF HEAD 40 AND TRANSFERRED TO HEAD 190 : UPGC, UPON THE UPGRADING OF LINGNAN COLLEGE TO A DEGREE GRANTING INSTITUTION.

ANOTHER SIGNIFICANT FACTOR IS AN EXPECTED DECLINE OF 2.4 PER CENT IN PRIMARY SCHOOL ENROLMENT DUE TO POPULATION CHANGE AND THUS RESULTING IN REDUCED EXPENDITURE.

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ON THE WITHDRAWAL OF THE REPEATER ALLOWANCE, MR CHAN CONFIRMED THE GOVERNMENT'S DECISION TO EXCLUDE SECONDARY 4 FROM THE NEW ARRANGEMENT, IN ORDER TO REMOVE ANY UNCERTAINTY FACING PARENTS AND PUPILS AT THE POINT OF ENTRY INTO SENIOR SECONDARY EDUCATION.

HE REITERATED THE NEED TO RETAIN THE ARRANGEMENT AT PRIMARY 1 AND SECONDARY 1 IN ORDER TO COMPLY WITH THE GOVERNMENT'S BUDGETARY GUIDELINE OF MAINTAINING A BALANCE BETWEEN THE GROWTH IN PUBLIC SECTOR EXPENDITURE AND THE RATE OF ECONOMIC GROWTH.

"WE RECOGNISE THAT THE MEASURE WOULD, IN SOME CASES, LEAD TO MARGINAL INCREASES IN CLASS SIZES, BUT WE HAVE TAKEN GREAT CARE TO MINIMISE THE EFFECT UPON THE QUALITY OF EDUCATION," MR CHAN SAID.

"WE HAVE RESPONDED TO SUGGESTIONS FROM THE EDUCATION COMMUNITY BY EXEMPTING SCHOOLS HAVING A HIGH PROPORTION OF BAND 5 PUPILS FROM THE NEW MEASURE, IN RECOGNITION OF THE HEAVY BURDEN BORNE BY TEACHERS WORKING IN THESE SCHOOLS.

"WE HAVE ALSO GIVEN AN UNDERTAKING THAT THE REPEATER ALLOWANCE WILL BE RESTORED IN FULL BY THE FIFTH YEAR, WHEN THE PROJECTED DECLINE IN ENROLMENT WILL ALLOW SMALLER CLASSES TO BE OPERATED," HE ADDED.

AT PRESENT, THE DIRECTOR OF EDUCATION ALLOCATES 38 PUPILS TO EACH CLASS OF 40, ALLOWING THE SCHOOLS THEMSELVES TO USE THE REMAINING TWO PLACES TO ACCOMMODATE REPEATERS IF THEY SO WISH.

BECAUSE NOT ALL SCHOOLS EXERCISE THIS DISCRETION IN FULL, AND BECAUSE THERE IS SOME "WASTAGE" OF PUPILS IN THE COURSE OF THE SCHOOL YEAR, A FAIR PROPORTION OF CLASSES AT PRIMARY 1 AND SECONDARY 1 ACTUALLY HAVE LESS THAN 40 PUPILS.

IN FACT, 40 PER CENT OF PRIMARY 1 AND 20 PER CENT OF SECONDARY 1 CLASSES HAVE 38 PUPILS OR LESS.

THE WITHDRAWAL OF THE REPEATER ALLOWANCE WILL MEAN THAT THE DIRECTOR WILL, WITH EFFECT FROM THIS YEAR, ALLOCATE 40 PUPILS TO EACH CLASS.

THIS MEASURE WILL HAVE NO REAL EFFECT ON THOSE CLASSES WHICH HAVE 38 PUPILS OR LESS. THE EFFECT ON THE OTHER CLASSES WILL DEPEND ON THE EXTENT TO WHICH THE SCHOOLS THEMSELVES FIND IT NECESSARY TO ACCOMMODATE REPEATERS, BUT WILL IN ANY CASE BE MARGINAL AND LIKELY TO DISSIPATE OVER TIME DUE TO "WASTAGE".

MR CHAN EMPHASISED THAT THE REDUCTION IN THE NUMBER OF CLASSES RESULTING FROM THE WITHDRAWAL OF THE REPEATER ALLOWANCE WOULD NOT LEAD TO ANY STAFF REDUNDANCY, BECAUSE THERE WOULD BE SUFFICIENT ROOM IN THE OVERALL SUPPLY AND DEMAND FOR TEACHERS TO ACCOMMODATE EVERYONE.

GOVERNMENT TO CONSIDER HOUSING NEED OF SANDWICH CLASS

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THE GOVERNMENT IS TO CONSIDER IN THE COMING MONTHS WHAT FURTHER MEASURES MIGHT BE TAKEN TO ASSIST THOSE IN THE SANDWICH CLASS WHO ARE NEITHER ELIGIBLE FOR AIDED HOUSING NOR ABLE TO BUY THEIR OWN HOMES.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON AT THE RESUMED BUDGET DEBATE IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID THE STUDY OF HOUSING-RELATED PROBLEM OF THE SANDWICH CLASS WOULD BE CONDUCTED URGENTLY WITH THE AIM OF REACHING CONCLUSIONS IN SIX MONTHS.

THE STUDY MIGHT INVOLVE REVIEWING ELIGIBILITY FOR AND INCREASING PRODUCTION UNDER THE HOME OWNERSHIP SCHEME (HOS) INCLUDING THE PRIVATE SECTOR PARTICIPATION SCHEME; REVIVING THE CONCEPT OF MIDDLE-INCOME HOUSING; OR PERHAPS THE HOUSING AUTHORITY BUILDING BETTER CLASS FLATS FOR SALE ON A COMMERCIAL BASIS TO HOUSEHOLDS WITH INCOMES BETWEEN \$18,000 AND \$40,000 PER MONTH.

HE SAID THE HOUSING AUTHORITY'S DECISION TO RAISE THE HOS INCOME LIMIT IN STEPS WITH GREATER REGARD TO CHANGES IN PRIVATE SECTOR PROPERTY PRICES WAS A SIGNIFICANT STEP IN HELPING THE LOWER SEGMENT OF THE SANDWICH CLASS.

HE POINTED OUT THAT WITH EFFECT FROM TODAY, THE MONTHLY INCOME LIMITE WAS INCREASED TO \$18,000.

THE NEW INCOME LIMIT REPRESENTED A 29 PER CENT RISE OVER THAT OF LAST YEAR AND COVERED 78 PER CENT OF HOUSEHOLDS IN HONG KONG, HE ADDED.

MR EASON NOTED THAT THE 1991 CENSUS SHOWED THAT THERE WERE SLIGHTLY MORE THAN 250,000 HOUSEHOLDS WITHIN THE MONTHLY INCOME LIMIT OF \$18,000 - \$40,000.

OF THESE, ONLY SLIGHTLY MORE THAN 30,000 WERE LIVING IN PRIVATE OR UNAIDED ACCOMMODATION.

THE REST WERE EITHER OWNERS-OCCUPIERS OR LIVING IN ACCOMMODATION WHICH WAS EITHER PROVIDED BY THEIR EMPLOYERS RENT FREE, OR IN PUBLIC AND AIDED RENTAL BLOCKS.

WITH REGARD TO WAYS TO PROTECT THE INTEREST OF GENUINE ASPIRING HOME-BUYERS, MR EASON SAID THERE WERE CLEAR SIGNS THAT THE PRIVATE RESIDENTIAL MARKET HAD COOLED DOWN NOTICEABLY IN RECENT MONTHS AFTER THE GOVERNMENT HAD TAKEN SEVERAL STEPS TO ADDRESS THE PHENOMENON OF SPECULATION AND ITS UNSAVOURY BY-PRODUCTS, SUCH AS UNRULY SCENES ASSOCIATED WITH QUEUING FOR FLAT SALES AND CREATION OF IMMEDIATE SECONDARY MARKETS.

THE COOLING DOWN WAS EVIDENCED BY THE STEADY DECLINE IN THE NUMBER OF PROPERTY TRANSACTIONS FROM A HIGH OF OVER 21,000 UNITS IN OCTOBER LAST YEAR TO JUST OVER 8,000 IN FEBRUARY THIS YEAR. THERE WERE ALSO SIGNS OF REDUCING RENTALS IN NEW PROPERTIES.

"BUT THE SITUATION REQUIRES WATCHING AND THE ADMINISTRATION WILL KEEP IN MIND THE POSSIBLE NEED TO BRING FORWARD OTHER MEASURES - INCLUDING, IF NECESSARY, FURTHER LEGISLATIVE PROPOSALS TO STRENGTHEN THE RECENTLY INTRODUCED STAMP DUTY (AMENDMENT) ORDINANCE OR TO CONTROL DAMAGING SPECULATIVE ACTIVITY IN THE SALE OF UNCOMPLETED RESIDENTIAL PROPERTIES," MR EASON SAID.

ON SUPPLY OF RESIDENTIAL FLATS, HE NOTED THAT BETWEEN NOVEMBER 1991 AND FEBRUARY 1992, CONSENT TO FORWARD SALES HAD BEEN GIVEN FOR OVER 4,200 RESIDENTIAL UNITS IN UNCOMPLETED DEVELOPMENTS.

APPLICATIONS WERE BEING PROCESSED FOR THE FORWARD SALE OF ANOTHER 14,000 UNITS.

AS FOR COMPLETED PRIVATE FLATS, MR EASON SAID, OF THE 33,400 COMPLETED IN 1991, 18,300 OR 55 PER CENT REMAINED VACANT AT THE END OF THE YEAR.

"IT IS ESTIMATED THAT IN 1992 AND 1993 AROUND 68,000 PRIVATE RESIDENTIAL FLATS WILL BE COMPLETED; SO THE ANNUAL AVERAGE WILL BE THE HIGHEST ACHIEVED IN THE FIVE-YEAR PERIOD 1989-1993," HE SAID.

REGARDING THE SUPPLY OF LAND, MR EASON SAID AN ADDITIONAL 5.9 HECTARES OF LAND FOR RESIDENTIAL USE WAS INCLUDED IN THE LAND DISPOSAL PROGRAMME IN 1991-92 AND THE LAND COMMISSION HAD JUST AGREED TO THE DISPOSAL OF 25.22 HECTARES OF LAND FOR COMMERCIAL/RESIDENTIAL AND RESIDENTIAL USE IN 1992-93, REPRESENTING AN INCREASE OF 6.93 HECTARES OVER THE 1991-92 LAND DISPOSAL PROGRAMME.

"IN ADDITION, ANOTHER FIVE HECTARES OF LAND HAS BEEN PUT IN RESERVE IN THIS YEAR'S PROGRAMME, WHICH COULD BE RELEASED LATER ON IN THE YEAR SUBJECT TO A REVIEW BY THE LAND COMMISSION," MR EASON ADDED.

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COMMITMENTS TO HEALTH AND WELFARE OF COMMUNITY REAFFIRMED

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THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, TODAY (WEDNESDAY) REAFFIRMED GOVERNMENT'S COMMITMENTS TO THE HEALTH AND WELFARE OF THE COMMUNITY.

"OUR TRACK RECORDS TESTIFY TO THIS," SHE STATED, "WE CARE ABOUT THE NEEDY, BY WHICH DEFINITION WE MEAN ALL THOSE IN NEED, INCLUDING THE SO-CALLED SANDWICH CLASS."

MRS WONG GAVE THE ASSURANCE WHILE SPEAKING AT THE RESUMED DEBATE ON THE APPROPRIATION BILL 1992 AT THE LEGISLATIVE COUNCIL.

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CITING STATISTICS, SHE SAID EXPENDITURE ON HEALTH AND WELFARE SERVICES HAD MORE THAN DOUBLED OVER THE PAST FIVE YEARS - FROM \$8.2 BILLION IN 1987-88 TO \$18.4 BILLION IN 1991-92.

IN REAL TERMS, THIS REPRESENTS AN OVERALL INCREASE OF 42 PER CENT OVER A FIVE-YEAR PERIOD OR AN AVERAGE ANNUAL GROWTH RATE OF 9.2 PER CENT PER ANNUM.

FOR 1992-93, A SUM OF \$22.56 BILLION HAS BEEN SOUGHT - UP \$4.16 BILLION OR 23 PER CENT FROM LAST YEAR'S REVISED ESTIMATE.

"THIS WOULD ENABLE US TO CONTINUE WITH THE SIGNIFICANT GROWTH SUSTAINED OVER THE YEARS AND ACHIEVE THE GOALS WE HAVE SET FOR THE COMING YEAR," SHE SAID.

MRS WONG ALSO CLARIFIED A MISUNDERSTANDING OVER THE INCLUSION OF THE ONCOST FOR STAFF UNDER THE MEDICAL SERVICES EXPENDITURE FOR 1992-93.

SHE EXPLAINED THAT THE COST OF STAFF WORKING IN THE HOSPITAL SYSTEM MUST BE PART OF THE COST OF THE SERVICE.

"THEY ARE COSTS WHICH WE CANNOT PRETEND NOT TO EXIST. THE REAL INCREASE IN RECURRENT EXPENDITURE IS STILL 9.4 PER CENT AS I REPORTED AT THE SPECIAL MEETING OF THE FINANCE COMMITTEE," SHE ADDED.

TURNING TO CALLS FOR BETTER SUPERVISION AND SCRUTINY OF THE HOSPITAL AUTHORITY'S (HA) OPERATIONS AND EXPENDITURE, SHE SAID THE LAW PROVIDED THE HA WITH AUTONOMY IN OPERATION AND FLEXIBILITY IN RESOURCE MANAGEMENT.

IT ALSO PROVIDES FOR EXTENSIVE MONITORING OF HA'S EXPENDITURE AND ACTIVITIES AT VARIOUS LEVELS AND BY DIFFERENT MEANS.

FOR EXAMPLE, THERE ARE PUBLIC PARTICIPATION IN MANAGEMENT, EXAMINATION BY THE DIRECTOR OF AUDIT, SCRUTINY BY THE PUBLIC ACCOUNTS COMMITTEE, REGULAR CHECKS BY THE LEGISLATIVE COUNCIL AND ITS PANELS, AS WELL AS MONITORING BY A FREE AND LIVELY PRESS.

"THE HOSPITAL AUTHORITY IS CLEARLY UNDER CLOSE SCRUTINY AT BOTH THE MICRO AND MACRO LEVELS.

"I SUGGEST LET IT GET ON WITH ITS MISSION. AND I SUGGEST LET US GIVE IT TIME TO PROVE IT WORTH," SHE SAID.

ON PRIMARY HEALTH CARE REFORMS, MRS WONG NOTED THAT A PILOT DISTRICT HEALTH SYSTEM HAS BEEN INAUGURATED IN KWUN TONG ENTAILING THE INTRODUCTION OF INDIVIDUAL MEDICAL RECORDS IN 20 GENERAL OUT-PATIENT DEPARTMENT CLINICS, AN APPOINTMENT SYSTEM FOR CHRONIC PATIENTS IN 39 CLINICS, HEALTH EDUCATION TALKS ON CHRONIC DISEASES IN 36 CLINICS, AND DRUG LABELLING IN VIRTUALLY ALL CLINICS.

/IN ADDITION

IN ADDITION, NEW CLINICS WILL BE OPENED AND THE HEPATITIS B IMMUNISATION PROGRAMME EXTENDED TO ALL PRE-SCHOOL CHILDREN. A LARGE-SCALE ORAL HEALTH EDUCATIONAL PROGRAMME FOR PRE-SCHOOLERS WILL BE STARTED WHILE HEALTH PROMOTION ACTIVITIES WITH AN EMPHASIS ON HEALTHY LIFE-STYLE WILL BE ENHANCED WITH AN OBJECTIVE TO ACHIEVE HEALTH FOR ALL BY THE YEAR 2000.

PREPARATIONS ARE ALSO IN HAND FOR THE SETTING UP OF A PILOT WELL WOMAN CLINIC AND THE STUDENT HEALTH SERVICE AS WELL AS THE ESTABLISHMENT OF A TRAINING AND EDUCATION CENTRE FOR DOCTORS IN FAMILY MEDICINE AND A NEW PUBLIC HEALTH NURSING SCHOOL FOR NURSES.

FAR FROM LAGGING BEHIND, SHE POINTED OUT THAT HONG KONG SHOULD BE PROUD OF ITS EFFORTS BECAUSE "WE HAVE GOOD HEALTH INDICES WHICH COMPARE FAVOURABLY WITH THOSE OF ADVANCED COUNTRIES".

TURNING TO SOCIAL WELFARE, MRS WONG SAID THE GOVERNMENT WAS COMMITTED TO IMPROVING SERVICES FOR ALL GROUPS: THE OLD, THE YOUNG, THE HANDICAPPED AND THE MORE VULNERABLE GROUPS IN THE COMMUNITY.

MANY OF THE REFORMS CONTAINED IN THE WHITE PAPER ON SOCIAL WELFARE INTO THE 1990'S AND BEYOND PUBLISHED LAST YEAR ARE UNDERWAY AND WILL CONTINUE IN 1992-93.

ON THE CONCERN OF MEMBERS ABOUT THE PUBLIC ASSISTANCE SCHEME, MRS WONG SAID THE PRINCIPLES OF THE SCHEME HAD ALSO BEEN DEVELOPED AND REFINED OVER THE YEARS AND REAFFIRMED LAST YEAR WHEN THE SOCIAL WELFARE POLICIES WERE EXAMINED.

"THE PAYMENTS, WHICH INCLUDE NOT ONLY THE BASIC RATES BUT ALSO A VARIETY OF SUPPLEMENTS, ARE DESIGNED TO BE RESPONSIVE TO INDIVIDUAL NEEDS.

"WE SHOULD HAVE DUE REGARD TO THE SOCIAL, ECONOMIC AND DEMOGRAPHIC FACTORS, IN CONTINUING TO BE ALIVE TO THE CHANGING SOCIETAL NEEDS AND KEEPING IMPLICATIONS FOR OUR SOCIAL SECURITY SCHEMES UNDER CONSTANT REVIEW," SHE SAID.

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SECURITY MEASURES FOR HIGH RISK PREMISES UNDER REVIEW
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THE GOVERNMENT HAS DECIDED TO RE-EXAMINE THE QUESTION OF SECURITY MEASURES FOR HIGH RISK PREMISES IN THE LIGHT OF THE RECENT RISE IN ARMED ROBBERIES IN GOLDSMITH AND JEWELLERY SHOPS.

THIS WAS STATED BY THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, IN A WRITTEN REPLY TO A QUESTION BY THE HON J.D. MCGREGOR AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

/MR ASPREY

MR ASPREY SAID THE POLICE HAD STARTED WORK TO REVIEW, INTER ALIA, A PROPOSAL TO ISSUE CERTIFICATES OF SECURITY FOR HIGH RISK PREMISES.

"THE MATTER WILL BE CONSIDERED BY THE FIGHT CRIME COMMITTEE AT ITS NEXT MEETING AT THE END OF APRIL," HE SAID.

MR ASPREY SAID THE QUESTION OF SECURITY MEASURES FOR HIGH RISK PREMISES WAS EXAMINED THOROUGHLY BY THE FIGHT CRIME COMMITTEE IN 1984.

HE NOTED THAT THE COMMITTEE CONCLUDED THAT, WHILE IT WAS NECESSARY TO ENSURE THAT SUCH PREMISES HAD ADEQUATE SECURITY MEASURES, LEGISLATION MIGHT NOT BE THE BEST WAY TO ACHIEVE THIS.

IT RECOMMENDED THAT THE GOVERNMENT SHOULD CONTINUE TO LIAISE WITH THE GOLDSMITH AND JEWELLERY TRADE ASSOCIATIONS TO GIVE THEM ADVICE AND TO SEEK THEIR CO-OPERATION IN TAKING ADEQUATE SECURITY MEASURES.

HE SAID THE ADMINISTRATION SUPPORTED THE COMMITTEE'S VIEWS AT THAT TIME.

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HK HAS BETTER POLICE TO POPULATION RATIO

THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID TODAY (WEDNESDAY) THAT HONG KONG COMPARES FAVOURABLY WITH OTHER MAJOR CITIES IN TERMS OF THE RATIO OF POLICE OFFICERS TO POPULATION.

IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU AT THE LEGISLATIVE COUNCIL, MR ASPREY POINTED OUT THAT THE FIGURES WERE NOT ENTIRELY COMPARABLE BECAUSE IN HONG KONG, THE POLICE FORCE HAD RESPONSIBILITIES WHICH THE POLICE FORCES IN OTHER CITIES DID NOT.

A SUBSTANTIAL MARINE POLICE COMMITMENT AND ANTI-ILLEGAL IMMIGRATION DUTIES ON THE BORDER WERE EXAMPLES.

THE RATIO OF TOTAL POLICE STRENGTH PER 100,000 POPULATION IN HONG KONG FROM 1989 TO 1991 COMPARED WITH OTHER CITIES ARE AS FOLLOWS:

	1989	1990	1991
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HONG KONG	474.0	469.6	455.6
LONDON	N/A	402.5	N/A
TOKYO	347.2	349.1	N/A
SINGAPORE	262.6	N/A	N/A
N/A: NOT AVAILABLE			

/MR ASPREY

MR ASPREY EXPLAINED THAT THE SLIGHT DECREASE IN 1990 AND 1991 COULD BE ATTRIBUTED TO DIFFICULTIES IN RECRUITMENT AND RETENTION OF JUNIOR POLICE OFFICERS.

IN RECENT MONTHS HOWEVER BOTH RECRUITMENT AND RETENTION HAD IMPROVED.

AS A RESULT, AT THE BEGINNING OF 1992, THE RATIO STOOD AT 459.6, MR ASPREY NOTED.

"I HOPE THAT THIS TREND CONTINUES," HE SAID.

THE SECRETARY SAID IT WAS NOT POSSIBLE TO QUANTIFY THE EFFECT OF THESE SMALL CHANGES ON THE LAW AND ORDER SITUATION ADDING THAT THE POLICE PRESENCE ON THE STREETS WAS AN IMPORTANT FACTOR IN THE PREVENTION AND DETECTION OF CRIME.

MR ASPREY STRESSED THAT EVERY EFFORT HAD BEEN MADE TO MAINTAIN THE LEVEL OF POLICE PRESENCE ON THE STREETS THROUGH REDEPLOYMENT, INCREASED USE OF THE AUXILIARY POLICE, AND THE RELIEVING OF THE POLICE FORCE RESPONSIBILITY FOR MANAGING THE HIGH ISLAND DETENTION CENTRE.

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AIRPORT PROJECT TECHNOLOGY TRANSFER EXPLAINED

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THE MAIN OBJECTIVE IN MANAGING THE DESIGN AND CONSTRUCTION OF THE AIRPORT CORE PROJECT (ACP) IS TO ENSURE THAT THESE PROJECTS ARE CARRIED OUT IN THE MOST COST-EFFECTIVE MANNER, ON TIME AND WITHIN BUDGET.

THIS WAS STATED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, IN A WRITTEN REPLY TO A QUESTION BY THE HON RONALD ARCULLI AT THE LEGISLATIVE COUNCIL.

HE SAID WITHIN THESE CONSTRAINTS, THE GOVERNMENT WAS SUPPORTIVE OF THE OBJECTIVE OF ENCOURAGING TECHNOLOGY TRANSFER TO LOCAL PROFESSIONALS AND CONTRACTORS.

THE GOVERNMENT WAS MINDFUL OF THE UNIQUE OPPORTUNITY THE PROGRAMME PRESENTS FOR FOSTERING THE TRANSFER OF TECHNOLOGY AND TECHNIQUES TO HONG KONG ENTERPRISES, HE ADDED.

MR BLAKE POINTED OUT THAT TRANSFER COULD AND WOULD TAKE PLACE IN A VARIETY OF WAYS SUCH AS RECRUITMENT OF LOCAL PROFESSIONALS TO SPECIALIST COMPANIES, THE DISSEMINATION OF MODERN PROJECT MANAGEMENT TECHNIQUES THROUGHOUT THE CONSTRUCTION INDUSTRY AND THE INTRODUCTION OF A VARIETY OF NEW CONSTRUCTION TECHNIQUES.

HE SAID THERE WAS A WIDE RANGE OF PROFESSIONAL EXPERTISE WHICH THE ACP WOULD REQUIRE IN PLANNING, FINANCING, DESIGN, CONSTRUCTION AND OPERATION OF THE PROJECTS.

/"WHILST HONG

"WHILST HONG KONG ALREADY POSSESSES MUCH EXPERTISE IN ALL THESE FIELDS THE OPPORTUNITIES WHICH THE ACP WILL PRESENT FOR PROFESSIONALS TO BE EXPOSED TO A WIDER RANGE OF TECHNIQUES AND SYSTEMS WILL UNDOUBTEDLY BE OF LONG-TERM BENEFIT TO BOTH THE PUBLIC AND PRIVATE SECTORS.

"MANY SPECIALIST SEMINARS AND PRESENTATIONS HAVE ALREADY BEEN MADE IN BOTH GOVERNMENT AND PRIVATE SERVICE WHOSE WORK IS RELATED TO THE ACP AND THE PACE OF THESE WILL INCREASE AS THE PROGRAMME GETS INTO FULL SWING," THE SECRETARY SAID.

MR BLAKE SAID THE ESTABLISHMENT OF THE NEW AIRPORT PROJECTS CO-ORDINATION OFFICE ALLOWED FOR AN EFFECTIVE UTILISATION OF BOTH THE LOCAL AND INTERNATIONAL EXPERIENCE OF THE GOVERNMENT AND CONSULTANT STAFF.

"IT ALSO ENABLES AN EFFICIENT TRANSFER TO GOVERNMENT PERSONNEL OF EXPERIENCE AND TECHNIQUES IN MANAGING LARGE-SCALE PROJECTS, PARTICULARLY IN THE AREAS OF PROGRAMMING, COST CONTROL AND PROJECT ADMINISTRATION.

"THIS PROJECT MANAGEMENT GROUP WILL IN TURN DISSEMINATE MANAGEMENT CONTROLS WIDELY THROUGHOUT ALL PROGRAMME AREAS AND THE RELEVANT CONTROLLING DEPARTMENTS.

"THESE CONTROLS COVER BOTH COST AND TIME, INCLUDING RISK AND CONTINGENCY MANAGEMENT," MR BLAKE SAID.

ALONGSIDE THE AIRPORT-RELATED PROJECTS, HE SAID WORKS BRANCH WAS CO-ORDINATING INITIATIVES, WHICH WOULD RESULT IN THE RELEVANT ELEMENTS OF THE SPECIAL ACP CONTROLS, BEING USED FOR PROJECTS WITHIN THE PUBLIC WORKS PROGRAMME.

THE SECRETARY SAID ACP PROJECTS WERE ATTRACTING WORLD RENOWNED CIVIL ENGINEERING CONTRACTORS.

IN ORDER TO MEET VERY EXACTING RISK AND PROGRAMME CONTROL OBLIGATIONS, CONTRACTORS WILL NEED TO MAXIMISE THE USE OF THE LATEST CONSTRUCTION TECHNIQUES REQUIRING THE DEPLOYMENT OF LARGE AND, IN SOME CASES, HIGHLY SPECIALISED CONSTRUCTION PLANT.

SUCCESSFUL INTERNATIONAL JOINT VENTURES HOWEVER DEMAND A KNOWLEDGE OF CONDITIONS AND THE CONSTRUCTION RESOURCES AVAILABLE IN HONG KONG.

"THIS LEADS TO STRONG LINKS WITH LOCAL ENTERPRISES OR THE INCLUSION OF A LOCAL PARTNER IN THE JOINT VENTURE.

"CONSTRUCTION EXPERTISE WILL ALSO BE TRANSFERRED TO LOCAL INDUSTRY BY MEANS OF SUB-CONTRACTING, AND THE DIRECT EMPLOYMENT OF LOCAL STAFF AND WORKERS," MR BLAKE SAID.

HE NOTED THAT INFORMATION WAS AVAILABLE TO THE GOVERNMENT ON THE LOCAL EXPERIENCE OF STAFF TO BE EMPLOYED AT SENIOR MANAGEMENT LEVELS IN THE ORGANISATIONS SEEKING TO BE AWARDED ACP CONTRACTS.

"THIS IS TAKEN INTO ACCOUNT WHEN ASSESSING TENDERS, TO ASSIST IN DETERMINING A CONTRACTOR'S EXPERIENCE AND MANAGEMENT CAPABILITY TO UNDERTAKE THE WORKS.

"THERE IS NO SPECIFIC REQUIREMENT FOR THEM TO RETAIN SENIOR LOCAL MANAGEMENT, EVEN THOUGH MANY DO SO.

"SIMILARLY, CONSULTANTS ESTABLISHED IN HONG KONG FOR A CONSIDERABLE NUMBER OF YEARS AND WHO ARE SUCCESSFUL IN UNDERTAKING GOVERNMENT CONSULTANCIES HAVE LOCAL PROFESSIONALS IN SENIOR POSITIONS WITHIN THEIR ORGANISATION," HE SAID.

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FULL DEVELOPMENT OF TSEUNG KWAN O - 2011

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FULL DEVELOPMENT OF TSEUNG KWAN O IS NOT LIKELY TO BE ACHIEVED UNTIL 2011, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON, INFORMED THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON GILBERT LEUNG KAM-HO, MR EASON SAID IN THE TSEUNG KWAN O TOWN PLAN ABOUT 10 HA OF LAND WERE ZONED FOR COMMERCIAL USE AND 232 HA FOR DIFFERENT TYPES OF INDUSTRIAL USE.

ABOUT 44 HA ARE RESERVED FOR COMMERCIAL/RESIDENTIAL USE.

HE SAID IN THE PROVISIONAL LAND SALES PROGRAMME FOR 1992/93, TWO COMMERCIAL/RESIDENTIAL SITES TOTALLING FIVE-AND-A-HALF HA WERE SCHEDULED FOR SALE BY LETTER A/B TENDER.

MR EASON SAID FURTHER COMMERCIAL AND COMMERCIAL/RESIDENTIAL SITES WOULD BECOME AVAILABLE FOR SALE IN SUBSEQUENT YEARS.

INDUSTRIAL LAND WOULD BE AVAILABLE FOR DISPOSAL FROM 1993/94 ONWARDS.

"DEVELOPMENT OF THE TWO COMMERCIAL/RESIDENTIAL SITES TO BE DISPOSED OF IN 1992/93 IS ESTIMATED TO PRODUCE A TOTAL COMMERCIAL FLOOR SPACE OF ABOUT 100,000 SQUARE METRES IN 1996 OR 1997.

"A SIGNIFICANT NUMBER OF JOBS IN THE WHOLESALE, RETAIL AND SERVICES SECTOR WILL BE PROVIDED BUT THE ACTUAL NUMBER CANNOT BE PREDICTED ACCURATELY AS IT DEPENDS ON THE TYPES OF ESTABLISHMENTS WHICH OCCUPY THESE COMMERCIAL AREAS," HE ADDED.

/THE SECRETARY

THE SECRETARY SAID IT WAS ESTIMATED THAT 52,000 EMPLOYMENT PLACES WOULD BE PROVIDED IN THE INDUSTRIAL SECTOR IN TSEUNG KWAN O ULTIMATELY.

MR EASON STRESSED THAT STATISTICS ON PROJECTED ANNUAL SHORTFALLS OF JOB OPPORTUNITIES AS COMPARED WITH THE WORKING POPULATION FROM NOW TO 2004 WERE NOT AVAILABLE.

A PREDICTED SHORTFALL OF ABOUT 40,000 EMPLOYMENT PLACES IN 1996 AND OF 80,000 IN 2001 MUST BE VIEWED IN THE CONTEXT OF TSEUNG KWAN O'S PROXIMITY TO THE MAIN URBAN AREAS, PARTICULARLY KWUN TONG, AND THE RELATIVE CASE WITH WHICH COMMUTING WOULD BE POSSIBLE THROUGH THE ROAD TUNNEL, HE ADDED.

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HUNG HOM BAY RECLAMATION LAND USE OUTLINED

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THE HUNG HOM BAY RECLAMATION WOULD PROVIDE 36.38 HECTARES OF LAND FOR COMMERCIAL, RESIDENTIAL, RECREATIONAL AND GOVERNMENT, INSTITUTION AND COMMUNITY USES.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON, AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) IN HIS WRITTEN REPLY TO A QUESTION BY DR THE HON SAMUEL WONG PING-WAI.

THE PRESENT LAND USE PROPOSALS FOR THE RECLAMATION AREA INCLUDE 8.41 HECTARES (23.12 PER CENT) FOR ROADS, AND 8.20 HECTARES (22.54 PER CENT) FOR RESIDENTIAL ZONE 1 AND COMPREHENSIVE DEVELOPMENT AREA.

LAND FOR GOVERNMENT, INSTITUTION AND COMMUNITY USE WILL OCCUPY 3.70 HECTARES (10.17 PER CENT) WHEREAS THAT FOR COMMERCIAL USE WILL BE 3.26 HECTARES (8.96 PER CENT).

ALSO, 7.56 HECTARES WILL BE USED FOR OPEN SPACE AND AMENITY AREA. THE REMAINING 5.25 HECTARES WILL BE RESERVED FOR OTHER SPECIFIED USES WHICH INCLUDE A FIVE-HECTARE FREIGHTYARD EXPANSION FOR KOWLOON-CANTON RAILWAY CORPORATION (KCRC) WITH COMMERCIAL DEVELOPMENT ON THE PODIUM.

"RECLAMATION WORK IS IN HAND AND IS SCHEDULED TO BE COMPLETED AROUND LATE 1994," MR EASON SAID.

"IT IS ESTIMATED THAT THE POPULATION IN THE AREA UPON FULL DEVELOPMENT WILL BE ABOUT 18,000," HE ADDED.

HE NOTED THAT THE LAND USE BUDGET MIGHT HAVE TO BE AMENDED TO TAKE ACCOUNT OF NEW PROPOSALS SUCH AS THE KOWLOON SKY RAIL AND ITS DEPOT.

ON THE RECLAMATION AREA'S TRANSPORT LINKS, MR EASON SAID THE PROPOSED HUNG HOM BYPASS AND PRINCESS MARGARET ROAD LINK WOULD PROVIDE A DIRECT LINK FROM HUNG HOM BAY RECLAMATION TO PRINCESS MARGARET ROAD AND SALISBURY ROAD.

"THE LINK WILL ALSO CONNECT WITH CHATHAM ROAD AND WITH CHEONG WAN ROAD AT THE KCRC PODIUM AND, THEREFORE, GREATLY IMPROVE ACCESS TO THE KCR TERMINAL AND HONG KONG COLISEUM," MR EASON SAID.

THE PRELIMINARY DESIGN STUDY FOR THE PROJECT WILL SOON BE COMPLETED AND DETAILED DESIGN WILL START LATER THIS YEAR.

"CONSTRUCTION IS DUE TO START IN EARLY 1995 FOR COMPLETION IN EARLY 1998 SO AS TO TIE IN WITH DEVELOPMENT ON THE RECLAMATION," MR EASON SAID.

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PRIORITY GIVEN TO NEW BUS ROUTES TO SERVE NEW TOWNS

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THE GOVERNMENT ALWAYS GIVES PRIORITY TO ACCOMMODATING NEW BUS ROUTES FROM THE NEW TOWNS WHERE THERE IS A DEMONSTRABLE PASSENGER DEMAND WHICH COULD NOT BE MET BY ALTERNATIVE PUBLIC TRANSPORT SERVICES.

THIS WAS STATED BY THE SECRETARY FOR TRANSPORT, MR MICHAEL LEUNG, IN A WRITTEN REPLY TO A QUESTION BY THE HON EMILY LAU IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN THE PAST THREE YEARS, OF THE 55 NEW BUS ROUTES INTRODUCED BY KOWLOON MOTOR BUS CO (KMB), 34 PROVIDED REGULAR SERVICES LINKING THE NEW TOWNS WITH THE URBAN CENTRES.

OVER THE NEXT 12 MONTHS, KMB PLANS TO INTRODUCE EIGHT NEW BUS ROUTES FROM THE NEW TOWNS TO THE URBAN CENTRES, OF WHICH HALF WILL TERMINATE AT YAU-TSIM OR CENTRAL.

IN ADDITION, DEMAND IS ALSO MET PARTLY BY RESIDENTIAL COACH SERVICES WHICH SUPPLEMENT FRANCHISED BUSES DURING RUSH HOURS BUT DO NOT TAKE UP TERMINAL SPACE.

IN THE PAST FIVE YEARS, 29 RESIDENTIAL COACH ROUTES HAD BEEN INTRODUCED TO CARRY NEW TOWN RESIDENTS DIRECT TO THE URBAN CENTRES. OF THESE ROUTES, 12 OF THEM PENETRATED YAU-TSIM AND CENTRAL.

MR LEUNG SAID ADDITIONAL OFF-STREET BUS TERMINAL FACILITIES WERE BEING PLANNED, INCLUDING A NEW BUS TERMINUSAT SCIENCE MUSEUM ROAD IN TSIM SHA TSUI, INTEGRATED TRANSPORT INTERCHANGES ON THE WEST KOWLOON AND CENTRAL RECLAMATIONS, AND POSSIBLE REDEVELOPMENT OF THE MONG KOK KOWLOON-CANTON RAILWAY TERMINAL COMPLEX.

WHERE NECESSARY, ON-STREET BUS TERMINAL IS ALSO USED TO SUPPLEMENT OFF-STREET TERMINAL FACILITIES.

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IN SITU EMPLOYMENT IN NEW TOWNS PURSUED

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ONE OF THE MAIN CONCEPTS IN THE PLANNING AND DEVELOPMENT OF NEW TOWNS IS TO ACHIEVE A LARGE MEASURE OF "SELF-CONTAINMENT", INCLUDING THE PROVISION OF ADEQUATE EMPLOYMENT OPPORTUNITIES FOR THE WORKING POPULATION, PARTICULARLY WITH REGARD TO MANUFACTURING INDUSTRY.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON GILLERT LEUNG KAM-HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID THIS WAS NORMALLY DONE IN THE PLAN-MAKING PROCESS THROUGH THE RESERVATION OF INDUSTRIAL LAND IN ACCORDANCE WITH DESIGN POPULATION.

"HOWEVER, DUE TO A NUMBER OF REASONS NOT RELATED TO TOWN PLANNING, THE NEW TOWNS ARE TO SOME EXTENT STILL DEPENDENT ON THE OLDER URBAN AREAS FOR EMPLOYMENT OPPORTUNITIES," HE SAID.

IT IS ESTIMATED THAT THE RATE OF "IN SITU EMPLOYMENT" IS ROUGHLY 50 PER CENT AND THE PERCENTAGE CAN BE EXPECTED TO INCREASE AS NEW TOWNS MATURE.

TO CATER FOR THE NEEDS OF COMMUTING WORKERS, MR EASON SAID THE ADMINISTRATION AIMED TO PROVIDE AN EFFICIENT TRANSPORT NETWORK FOR THE NEW TOWNS.

THIS INCLUDES THE ELECTRIFICATION AND DOUBLE TRACKING OF THE KOWLOON-CANTON RAILWAY (KCR), SEVERAL HIGH CAPACITY HIGHWAYS AND TUNNELS, TO LINK THE NEW TOWNS WITH THE OLDER URBAN AREAS.

A COMPREHENSIVE PUBLIC TRANSPORT SYSTEM, INCLUDING BUSES, MINI-BUSES, HOVERCRAFT AND FERRY SERVICES, THE MASS TRANSIT RAILWAY BETWEEN TSUEN WAN AND URBAN AREAS AND THE LIGHT RAIL TRANSIT BETWEEN TUEN MUN AND YUEN LONG HAVE ALSO BEEN PROVIDED.

HE ADDED THAT FURTHER EXTENSIONS TO TIN SHUI WAI WERE PROPOSED.

"THE PUBLIC TRANSPORT SERVICES FOR THE NEW TOWNS HAVE ALSO BEEN DEVELOPED IN A MANNER SENSITIVE TO THE DEMAND FOR COMMUTING TO EMPLOYMENT CENTRES IN THE OLDER URBAN AREAS.

"THERE IS A WELL ESTABLISHED PLANNING MECHANISM UNDER WHICH THE FIVE-YEAR PLANS OF MAJOR PUBLIC TRANSPORT OPERATORS ARE ROLLED FORWARD ANNUALLY AFTER CONSULTATION WITH THE RELEVANT DISTRICT BOARDS," HE SAID.

ALSO, THE CAPACITY OF THE KCR HAS EXPANDED SUBSTANTIALLY SINCE THE EARLY 80'S TO MEET THE TRAVELLING NEEDS FROM SHA TIN, TAI PO, NORTH DISTRICT AND MORE RECENTLY MA ON SHAN.

/FURTHERMORE, THERE

FURTHERMORE, THERE HAS BEEN A SUSTAINED EXPANSION OF RESIDENTIAL COACH SERVICES IN THE PAST FIVE YEARS. THESE SUPPLEMENT FRANCHISED BUS SERVICES DURING RUSH HOURS TAKE NEW TOWN RESIDENTS DIRECT TO THEIR WORK PLACES.

MR EASON SAID EXISTING PUBLIC TRANSPORT SERVICES FOR THE NEW TOWNS WOULD BE FURTHER EXPANDED AND IMPROVED IN THE LIGHT OF CHANGES IN DEMAND ARISING FROM POPULATION RE-DISTRIBUTION.

OVER THE NEXT FIVE YEARS, FOR INSTANCE, KOWLOON MOTOR BUS CO. PLANS TO INCREASE THE NUMBER OF BUSES SERVING THE TSEUNG KWAN O NEW TOWN BY 55 PER CENT IN LINE WITH ANTICIPATED POPULATION INTAKE, HE SAID.

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REVIEW RECOMMENDS INCREASE IN COMPENSATION TO DISPLACED TENANTS
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THE GOVERNMENT HAS PROPOSED IN A RECENT REVIEW TO INCREASE THE STATUTORY COMPENSATION PAYABLE TO TENANTS DISPOSSESSED ON GROUNDS OF REDEVELOPMENT UNDER PARTS II AND IV OF THE LANDLORD AND TENANT (CONSOLIDATION) ORDINANCE.

THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, TOLD THE LEGISLATIVE COUNCIL THIS PROPOSAL IN A WRITTEN REPLY TO A QUESTION BY THE HON JAMES TO.

MR SUEN SAID THE INCREASE WOULD BRING IT IN LINE WITH THE AVERAGE LEVEL BEING OFFERED BY OWNERS IN "CONSENT CASES".

HE SAID THE REVIEW HAD CONFIRMED THAT THERE WERE GROUNDS FOR SIMPLIFYING THE CALCULATION PROCESS AND RELATING THE COMPENSATION TO PREVAILING RATEABLE VALUES.

THE REVIEW HAD FOCUSED ON THE DIFFERENT FACTORS WHICH CURRENTLY GOVERNED THE LEVEL OF COMPENSATION WITH PARTICULAR REFERENCE TO THE RELEVANCE OF THE 1983 RATEABLE VALUE WHICH WAS USED AS A BASIS IN THE PRESENT CALCULATION OF COMPENSATION.

"BOTH LANDLORDS AND TENANTS UNDERSTANDABLY HAVE DIFFICULTY IN RELATING THESE HISTORIC RATEABLE VALUES TO CURRENT VALUES.

"IN ADDITION, THERE ARE CONSIDERABLE PROBLEMS IN ASSESSING REMOVAL COSTS AND THE VALUE OF THE LOSS OF FITTINGS WHICH CONSTITUTE THE OTHER CONSIDERATIONS IN THE COMPENSATION CALCULATION," HE SAID.

HOWEVER, MR SUEN NOTED THAT IT HAD NEVER BEEN THE INTENTION OF THE LEGISLATURE TO RECOMPENSE IN FULL FOR ANY LOSS SUFFERED BY THE TENANTS DISPOSSESSED BY REBUILDING.

/"THE STATUTORY

"THE STATUTORY COMPENSATION IS DESIGNED TO PROVIDE THEM WITH SOME FINANCIAL ASSISTANCE TO MITIGATE THE HARDSHIP CAUSED BY RELOCATION," HE SAID.

MR SUEN ALSO POINTED OUT THAT WHERE CIRCUMSTANCES WARRANTED, THE SOCIAL WELFARE DEPARTMENT COULD, UPON APPLICATION, RECOMMEND THE ALLOCATION OF PUBLIC HOUSING ON COMPASSIONATE GROUNDS WHERE A DISPOSSESSED TENANT HAD FINANCIAL DIFFICULTIES.

TURNING TO THE QUESTION OF REDEVELOPMENT TAX, MR SUEN SAID IT WAS GOVERNMENT'S POLICY TO ENCOURAGE REDEVELOPMENT OF PRIVATE PROPERTIES WHERE THIS WOULD RESULT IN AN IMPROVEMENT IN STANDARDS OF ACCOMMODATION AND/OR AN INCREASE IN THE STOCK OF DOMESTIC ACCOMMODATION.

"THE IMPOSITION OF A REDEVELOPMENT TAX ON DEVELOPERS WOULD TEND TO DISCOURAGE REDEVELOPMENT WITHOUT PROVIDING ANY DIRECT BENEFIT TO THOSE DISPOSSESSED BY SUCH REDEVELOPMENT," HE SAID.

IN CONCLUSION, MR SUEN SAID THERE WERE EXISTING RESOURCES TO HELP DISPOSSESSED TENANTS WHO HAD FINANCIAL PROBLEMS, ADDING THAT IF THE LEVEL OF STATUTORY COMPENSATION WAS ENHANCED AS PROPOSED, THERE SEEMED TO BE LITTLE JUSTIFICATION IN PROVIDING FURTHER ASSISTANCE.

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ED WILL INVESTIGATE COMPLAINTS AGAINST SCHOOLS

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WHEN A COMPLAINT AGAINST A SCHOOL IS RECEIVED, A VETTING COMMITTEE UNDER THE EDUCATION DEPARTMENT WILL EXAMINE TO SEE WHETHER AN INVESTIGATION IS WARRANTED, AND IF IT IS, THE APPROPRIATE DISTRICT EDUCATION OFFICER WILL CONDUCT A THOROUGH INVESTIGATION INTO THE COMPLAINT.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, TODAY (WEDNESDAY) IN HIS WRITTEN REPLY TO A QUESTION BY THE HON ERIC LI KA-CHEUNG.

MR CHAN SAID SHOULD THE COMPLAINT BE SUBSTANTIATED, APPROPRIATE ADVICE WOULD BE GIVEN TO THE SCHOOL CONCERNED.

FOLLOW-UP VISITS TO THE SCHOOL WOULD ALSO BE MADE TO ENSURE THAT THE NECESSARY STEPS HAVE BEEN TAKEN TO RECTIFY THE PROBLEM, HE SAID.

ON PUPILS' HOMEWORK GUIDELINES, HE SAID THE EDUCATION DEPARTMENT REGULARLY ISSUED A GENERAL SCHOOLS CURRICULUM CIRCULAR ON "HOMEWORK IN SCHOOLS".

"WHERE IT IS EVIDENT THAT A SCHOOL IS NOT FOLLOWING THE GUIDELINES, THE SUPERVISOR IS INTERVIEWED AND HIS CO-OPERATION ENLISTED.

/"SCHOOLS HAVE

"SCHOOLS HAVE BEEN VERY CO-OPERATIVE AND HAVE RESPONDED IN A POSITIVE MANNER WHEN THEY ARE ADVISED OF PROBLEM AREAS," HE SAID.

HE ALSO NOTED THAT SINCE 1987, THE EDUCATION DEPARTMENT HAD RECEIVED A TOTAL OF 23 COMPLAINTS ABOUT EXCESSIVE SCHOOLWORK, TESTS AND EXAMINATIONS IN PRIMARY SCHOOLS.

FIVE OF THESE COMPLAINTS WERE SUBSTANTIATED IN INVESTIGATIONS, HE SAID.

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APPLICATIONS FOR WAIVERS OF MEDICAL CHARGES TO SIMPLIFY
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THE SOCIAL WELFARE DEPARTMENT (SWD) AND THE DEPARTMENT OF HEALTH ARE DISCUSSING WAYS TO SIMPLIFY THE PROCEDURES FOR PUBLIC ASSISTANCE RECIPIENTS TO RECEIVE FREE MEDICAL SERVICES AT PUBLIC HOSPITALS AND CLINICS.

ONE POSSIBLE OPTION IS TO PROVIDE FREE MEDICAL CARE TO SUCH RECIPIENTS UPON THE PRODUCTION OF THE "CASH ORDER BOOK" ISSUED TO THEM BY THE SWD.

THIS WAS STATED BY THE SECRETARY FOR HEALTH AND WELFARE, MRS ELIZABETH WONG, IN A WRITTEN REPLY TO A QUESTION BY THE HON LAU CHIN-SHEK AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

AT PRESENT, PUBLIC ASSISTANCE RECIPIENTS VISITING OUT-PATIENT CLINICS WHICH DO NOT PROVIDE MEDICAL SOCIAL SERVICE WILL HAVE TO FIRST APPLY FOR A WAIVER CERTIFICATE FROM A SWD FIELD UNIT.

THE WAIVER CERTIFICATE IS REQUIRED BY THE DEPARTMENT OF HEALTH FOR AUDIT CONTROL PURPOSE.

MRS WONG POINTED OUT THAT TO SIMPLIFY THE APPLICATION PROCEDURES WOULD SAVE THE RECIPIENTS FROM HAVING TO MAKE AN EXTRA TRIP TO A FIELD UNIT.

DURING THE LAST 12 MONTHS, SOME 87,000 APPLICATIONS FOR WAIVERS OF MEDICAL CHARGES WERE RECEIVED FROM PUBLIC ASSISTANCE RECIPIENTS.

OF THIS NUMBER, ABOUT 50,000 APPLICATIONS WERE HANDLED BY THE SWD AND THE REST WERE DEALT WITH DIRECTLY BY MEDICAL SOCIAL WORKERS AT HOSPITALS AND SPECIALIST CLINICS.

AND OUT OF THE TOTAL APPLICATIONS RECEIVED, ABOUT 65,000 WERE FROM PERSONS AGED 60 AND OVER.

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SAN FRANCISCO OFFICE WELL PLACED TO PROMOTE INVESTMENT

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THE SAN FRANCISCO ECONOMIC AND TRADE OFFICE HELD OVER 240 ON-SITE MEETINGS LAST YEAR WITH COMPANIES IN NINE STATES OF THE U.S. AND ONE CANADIAN PROVINCE TO PROMOTE THE ADVANTAGES OF INVESTING IN HONG KONG.

THIS WAS STATED BY THE SECRETARY FOR TRADE AND INDUSTRY, MR T.H. CHAU, IN A WRITTEN REPLY TO A QUESTION BY THE HON HENNY TANG AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN ADDITION, THE OFFICE COVERED 40 TRADE SHOWS AND CONFERENCES TO TARGET POTENTIAL INVESTORS IN HONG KONG.

HE SAID ONE INDUSTRIAL INVESTMENT PROJECT WAS COMPLETED WITH THE OFFICE'S ASSISTANCE AND A FURTHER 65 WERE BEING ACTIVELY CONSIDERED BY WEST COAST COMPANIES.

THE OFFICE COVERS THE WESTERN HALF OF THE U.S. AND IS CENTRALLY LOCATED FOR THIS PURPOSE.

HE SAID SAN FRANCISCO WAS CONSIDERED A SUITABLE LOCATION BECAUSE IT HAD SUBSTANTIAL LINKS WITH HONG KONG.

IT WAS CLOSE TO THE SILICON VALLEY AREA WHERE THERE WAS A CONCENTRATION OF THE HIGH TECHNOLOGY INDUSTRIES WHICH HONG KONG'S INWARD INVESTMENT PROGRAMME SOUGHT TO ATTRACT, HE ADDED.

APART FROM INDUSTRIAL INVESTMENT PROMOTION, THE OFFICE IS TASKED:

- * TO SAFEGUARD HONG KONG'S ECONOMIC AND COMMERCIAL INTERESTS;
- * TO PROMOTE HONG KONG AS A REGIONAL BUSINESS CENTRE AND GATEWAY TO CHINA;
- * TO ESTABLISH AND MAINTAIN CONTACTS WITH GOVERNMENT, BUSINESS, THE MEDIA AND THE ACADEMIC SECTOR WITH A VIEW TO BUILDING A STRONG PRO-HONG KONG CONSTITUENCY IN THE U.S.;
- * TO DEVELOP LINKS WITH THE HONG KONG COMMUNITY IN THE REGION;
AND
- * TO PROVIDE AN INFORMATION SERVICE ON HONG KONG.

THE RUNNING COSTS OF THE OFFICE IN 1991-92 ARE \$10 MILLION. THE COSTS FOR 1992-93 ARE ESTIMATED AT \$10.6 MILLION.

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BILL TO REQUIRE OWNERS TO CHECK THEIR BUILDINGS IN PIPELINE

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THE BUILDINGS (AMENDMENT) BILL WHICH SEEKS TO EMPOWER THE BUILDING AUTHORITY TO REQUIRE PRIVATE BUILDING OWNERS TO CARRY OUT DETAILED INSPECTIONS OF THEIR OWN BUILDINGS IS BEING DRAFTED.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON JAMES TO AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID IT WAS INTENDED TO PUT THE BILL TO THE COUNCIL FOR CONSIDERATION BEFORE THE END OF THE CURRENT LEGISLATIVE SESSION.

UNDER THE PROPOSED PROGRAMME, THE BUILDINGS ORDINANCE OFFICE WOULD CONDUCT PRELIMINARY SURVEYS OF BUILDINGS.

ORDERS WOULD BE SERVED ON THE OWNERS OF BUILDINGS WHERE POTENTIAL DANGER WAS IDENTIFIED DURING THE PRELIMINARY SURVEYS REQUIRING THEM TO CARRY OUT DETAILED INSPECTIONS.

THE FULL DETAILS OF THE PROPOSED SCHEME WERE STILL BEING FINALISED, MR EASON SAID.

"OUR PROPOSAL IS THAT THE OWNERS OF A BUILDING WILL BE REQUIRED BY ORDER TO APPOINT AN AUTHORISED PERSON TO CARRY OUT A DETAILED INSPECTION AND IDENTIFY APPROPRIATE REMEDIAL WORKS.

"THE LIST OF AUTHORISED PERSONS, BUT NOT DETAILS OF THEIR CHARGES, IS KEPT IN THE BUILDINGS ORDINANCE OFFICE AND MAY BE INSPECTED THERE," MR EASON SAID.

TO HELP OWNERS FURTHER, MR EASON NOTED THAT THE BUILDINGS ORDINANCE OFFICE HAD ALSO PREPARED A NON-STATUTORY LIST OF AUTHORISED PERSONS AND REGISTERED CONTRACTORS WHO WERE WILLING TO UNDERTAKE REPAIR WORKS.

A COPY OF THE LIST WOULD BE MADE AVAILABLE FOR INSPECTION IN THE BUILDINGS ORDINANCE OFFICE AND EVERY DISTRICT OFFICE.

A DEFAULT PROVISION WOULD ALSO BE INCLUDED IN THE PROPOSED BILL WHEREBY THE BUILDINGS ORDINANCE OFFICE WOULD CARRY OUT THE REQUIRED INSPECTION IF AN OWNER FAILED TO COMPLY WITH AN ORDER AND WOULD RECOVER THE COST FROM HIM, THE SECRETARY ADDED.

THE BUILDINGS ORDINANCE OFFICE MIGHT ALSO CARRY OUT DETAILED INSPECTIONS IN CASES WHERE OWNERS MIGHT HAVE DIFFICULTIES, FINANCIAL OR OTHERWISE, IN ORGANISING THEIR OWN, MR EASON SAID.

HOWEVER, THE INTENTION WAS TO RECOVER COSTS AND SECOND INSPECTIONS WERE NOT ENVISAGED AT PRESENT.

/THOSE EMPLOYED

THOSE EMPLOYED TO CARRY OUT INSPECTIONS ON BEHALF OF OWNERS COULD BE EXPECTED TO PERFORM TO PROFESSIONAL STANDARDS AND SET REASONABLE CHARGES; BUT THERE WOULD BE A DEGREE OF MONITORING BY THE BUILDINGS ORDINANCE OFFICE, PARTICULAR IN THE EARLY STAGES OF THE PROGRAMME, MR EASON NOTED.

AS TO THE NUMBER OF BUILDINGS IN SHAM SHUI PO DISTRICT WHICH WOULD BE AFFECTED BY THE NEW REQUIREMENT, MR EASON SAID IT WAS ESTIMATED THAT THERE MIGHT BE ABOUT 800 BUILDINGS IN THE DISTRICT WHICH MIGHT REQUIRE DETAILED INSPECTIONS.

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SIX-YEAR TRANSITIONAL PERIOD FOR SCHOOLS JOINING
DIRECT SUBSIDY SCHEME

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AN AIDED SCHOOL JOINING THE DIRECT SUBSIDY SCHEME (DSS) WILL HAVE A TRANSITIONAL PERIOD OF SIX YEARS BEFORE THE ENTIRE SCHOOL IS MADE UP OF STUDENTS PAYING DSS FEES, THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID.

IN A WRITTEN REPLY TO THE HON STEPHEN NG MING-YUM AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), MR CHAN SAID UPON AN AIDED SCHOOL JOINING THE DSS, ONLY STUDENTS AT ENTRY LEVEL, THAT IS, SECONDARY 1, HAD TO PAY DSS FEES.

"OTHER STUDENTS WHO HAD ENTERED THE SCHOOL PREVIOUSLY CONTINUE TO PAY NO FEES, OR STANDARD FEES, DEPENDING ON THE LEVEL OF STUDY," HE SAID.

AT PRESENT, SECONDARY 1 TO SECONDARY 3 IN AIDED SCHOOLS ARE FREE OF CHARGE, WHILE SECONDARY 4 AND ABOVE CHARGE STANDARD FEES DETERMINED BY THE GOVERNMENT.

IN THE CASE OF A DSS SCHOOL, ALL STUDENTS PAY FEES AT AN AMOUNT SET BY THE SCHOOL.

MR CHAN ALSO SAID ALL DSS SCHOOLS HAD THE FREEDOM TO DETERMINE THEIR OWN PROCEDURES FOR THE SELECTION AND ADMISSION OF SECONDARY 1 STUDENTS, SUBJECT TO MONITORING BY THE EDUCATION DEPARTMENT.

THE SECONDARY 1 CLASSES WILL OPERATE IN ACCORDANCE WITH THE DSS IN THE FIRST YEAR, WHILE THE HIGHER FORMS CONTINUE TO BE FUNDED ON AN AIDED BASIS.

MR CHAN SAID: "THE LATTER ARE PROGRESSIVELY TURNED INTO DSS CLASSES OVER A TRANSITIONAL PERIOD OF SIX YEARS."

"THE SCHOOL WILL, FOR THE SAME SIX-YEAR PERIOD, REMAIN UNDER THE CODE OF AID FOR THE PURPOSES OF MAINTENANCE AND REPAIR OF ITS SCHOOL BUILDINGS.

"OTHER DSS SCHOOLS, THAT IS, THOSE NOT ORIGINALLY UNDER THE CODE OF AID, WILL RECEIVE A DSS SUBSIDY FOR ALL THEIR CLASSES ON CHANGEOVER."

MR CHAN NOTED THAT THE EDUCATION DEPARTMENT WOULD ISSUE A CIRCULAR BEFORE THE END OF OCTOBER EACH YEAR TO INVITE SCHOOLS TO JOIN THE DSS. IF APPROVED, IT WOULD TURN DSS IN SEPTEMBER OF THE FOLLOWING YEAR.

IT IS THEREFORE UP TO THE SCHOOL TO WORK WITHIN THIS APPROXIMATE TIME-FRAME TO NOTIFY ITS STAFF AND STUDENTS OF AN IMPENDING CHANGE OF STATUS.

AS REGARDS THE REMUNERATION AND FRINGE BENEFITS OF STAFF OF EX-AIDED DSS SCHOOLS, MR CHAN POINTED OUT THAT THOSE WHO HAVE BEEN SERVING PRIOR TO THE SCHOOLS JOINING THE DSS HAVE THE OPTION OF REMAINING IN THE GRANT/SUBSIDISED SCHOOL PROVIDENT FUND SCHEME.

"THEY MAY ALSO JOIN ANY NEW PROVIDENT FUND SCHEME ARRANGED BY THE SCHOOLS," HE ADDED.

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FIVE PILOT RETRAINING PROGRAMMES PROPOSED
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AT THE REQUEST OF THE PROVISIONAL RETRAINING FUND BOARD, THE VOCATIONAL TRAINING COUNCIL HAS PROPOSED FIVE PILOT RETRAINING PROGRAMMES SPECIFICALLY DESIGNED FOR LOCAL WORKERS, INCLUDING FEMALE WORKERS WHO ARE OVER 30 YEARS OF AGE, AFFECTED BY THE ECONOMIC RESTRUCTURING.

THE FIVE PROGRAMMES TO BE FUNDED FROM THE RETRAINING FUND ARE HOTEL HOUSEKEEPING AND CLEANING, RETAIL SALES, COMPUTERISED CHINESE TYPESETTING, PRINT FINISHING AND CHINESE DATA ENTRY.

IN A WRITTEN REPLY TO A QUESTION BY THE HON HOWARD YOUNG AT THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY), THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, SAID MANY OF THE TRAINING COURSES WHICH THE VOCATIONAL TRAINING COUNCIL HAD BEEN PROVIDING WERE SUITABLE FOR ANY MALE OR FEMALE, WHO WANTED TO BE TRAINED IN SKILLS APPLICABLE TO AN OCCUPATION IN A PARTICULAR INDUSTRY.

THIS ALSO APPLIED TO IN-SERVICE WORKERS WHO WERE AFFECTED BY ECONOMIC RESTRUCTURING.

SOME OF THESE COURSES DID NOT REQUIRE ANY SPECIFIC LEVEL OF EDUCATIONAL BACKGROUND, MR CHAN ADDED.

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SMITHFIELD URBAN COUNCIL PROJECT IN PROGRESS

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THE SECRETARY FOR THE TREASURY, MR K.Y. YEUNG, SAID DESIGN OF THE URBAN COUNCIL FACILITIES, IN A MULTI-PURPOSE BUILDING AT SMITHFIELD IN WESTERN DISTRICT IS AT AN ADVANCED STAGE.

IN A WRITTEN REPLY TO A QUESTION BY THE HON YEUNG SUM AT THE LEGISLATIVE COUNCIL, HE SAID THE FACILITIES INCLUDED A MARKET, COOKED FOOD CENTRE, LIBRARY AND INDOOR GAMES HALL. SUBJECT TO URBAN COUNCIL APPROVAL, WORK IS EXPECTED TO START IN APRIL 1993 AND BE COMPLETED BY SEPTEMBER 1995.

TO PROVIDE COMMUNITY FACILITIES FOR RESIDENTS OF WESTERN DISTRICT, MR YEUNG SAID AN ITEM WAS INCLUDED IN CATEGORY C OF THE PUBLIC WORKS PROGRAMME IN AUGUST 1987 FOR THE CONSTRUCTION BY THE GOVERNMENT OF AN URBAN COUNCIL/GOVERNMENT JOINT USER MULTI-PURPOSE BUILDING ON A SITE OF ABOUT 5,000 SQUARE METRES AT SMITHFIELD.

THE ITEM WAS SUBSEQUENTLY UPGRADED TO CATEGORY B IN JULY 1988.

FOLLOWING A REVIEW OF FUNDING PRIORITIES UNDER THE 1990 RESOURCE ALLOCATION SYSTEM, ALTERNATIVE METHODS OF PROVIDING THE REQUIRED FACILITIES WERE EXAMINED.

HE NOTED THAT AGREEMENT WAS REACHED IN MAY LAST YEAR THAT THE SMITHFIELD SITE SHOULD BE DIVIDED INTO TWO PARTS, AND THAT THE URBAN COUNCIL WOULD PROCEED WITH THE CONSTRUCTION OF ITS OWN FACILITIES.

MEANWHILE, GOVERNMENT FACILITIES SUCH AS A CAR PARK AND POST OFFICE WOULD BE PROVIDED ON THE OTHER PART OF THE SITE AS AND WHEN FUNDS WERE AVAILABLE, HE SAID.

THE ARCHITECTURAL SERVICES DEPARTMENT PREPARED ARCHITECTURAL SKETCH PLANS OF THE JOINT-USER BUILDING. THE STAFF COST OF THE DESIGN TIME INVOLVED IS ESTIMATED TO BE \$95,000.

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TRAVEL & TOURISM - AN EXAMINATION SUBJECT IN 1995

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THE HONG KONG EXAMINATIONS AUTHORITY (HKEA) HAS AGREED TO INCLUDE TRAVEL AND TOURISM AS A HONG KONG CERTIFICATE OF EDUCATION EXAMINATION SUBJECT IN 1995.

THIS WAS STATED BY THE SECRETARY FOR EDUCATION AND MANPOWER, MR JOHN CHAN, TODAY (WEDNESDAY).

"THE CURRICULUM DEVELOPMENT COUNCIL AND THE HKEA ARE JOINTLY DEVELOPING THE SYLLABUS FOR THE SUBJECT," HE SAID, ADDING THAT THIS WOULD BE READY FOR CIRCULATION TO SCHOOLS FOR COMMENT IN MAY THIS YEAR.

/"A TEACHING

"A TEACHING SYLLABUS AND SUITABLE TEACHING MATERIALS WILL THEN BE DEVELOPED WITH DUE CONSIDERATION GIVEN TO FEEDBACK FROM SCHOOLS."

THESE MATERIALS WOULD BE MADE AVAILABLE TO SCHOOLS BEFORE THE INTRODUCTION OF THE SUBJECT IN SEPTEMBER 1993.

IN A WRITTEN REPLY TO A QUESTION BY THE HON HOWARD YOUNG AT THE LEGISLATIVE COUNCIL, MR CHAN SAID SINCE FEBRUARY LAST YEAR, THE EDUCATION DEPARTMENT HAD ORGANISED 11 SEMINARS TO ENCOURAGE SCHOOLS TO INTRODUCE THE SUBJECT TRAVEL AND TOURISM AT THE SENIOR SECONDARY LEVEL.

TWENTY-SIX SCHOOLS HAVE CONFIRMED THEIR INTEREST IN INTRODUCING THE SUBJECT AT SECONDARY 4 FROM SEPTEMBER NEXT YEAR.

THE HKEA WILL CONTINUE TO DO SO PROVIDED THAT NOT LESS THAN 20 SCHOOLS PARTICIPATE IN THE EXAMINATION IN THAT SUBJECT EACH YEAR.

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COMPUTER CRIMES BILL INTRODUCED TO LEGCO

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THE COMPUTER CRIMES BILL 1992 WHICH SEEKS TO MAKE CERTAIN FORMS OF COMPUTER MISUSE CRIMINAL OFFENCES WAS INTRODUCED TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MOVING THE SECOND READING OF THE BILL, THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, SAID ALTHOUGH THERE WAS NO EVIDENCE SHOWING THAT SUCH CRIME WAS WIDESPREAD, IT WAS NECESSARY TO PUT IN PLACE APPROPRIATE LEGAL SANCTIONS AGAINST COMPUTER MISUSE, WHICH COULD RESULT IN DISHONEST GAIN FOR THE WRONGDOER OR LOSS TO OTHERS.

MR ASPREY SAID THE BILL WOULD TACKLE "HACKING" BY MAKING UNAUTHORISED ACCESS TO A COMPUTER BY MEANS OF TELECOMMUNICATION AN OFFENCE.

THE BILL WOULD CREATE A NEW OFFENCE OF GAINING ACCESS TO A COMPUTER WITH DISHONEST INTENT OR WITH INTENT TO COMMIT AN OFFENCE.

"THIS WOULD APPLY IRRESPECTIVE OF WHETHER THE ACCESS WAS UNAUTHORISED OR NOT, AND IRRESPECTIVE OF THE MEANS OF ACCESS," HE POINTED OUT.

HE SAID THE BILL WOULD ALSO AMEND PROVISIONS IN THE THEFT ORDINANCE AND THE CRIMES ORDINANCE RELATING TO BURGLARY AND CRIMINAL DAMAGE TO PROPERTY.

THUS THESE PROVISIONS WILL COVER SUCH ACTS IN RELATION TO A COMPUTER, ITS DATA OR ANY PROGRAMME CONTAINED IN A COMPUTER, HE SAID.

/ALSO THE

ALSO THE BILL CLARIFIES THE OFFENCE OF FALSE ACCOUNTING IN THE THEFT ORDINANCE AND THE OFFENCES OF FORGERY AND MAKING A FALSE ENTRY IN A BANK BOOK IN THE CRIMES ORDINANCE, TO MAKE IT CLEAR THAT THEY APPLY TO INFORMATION STORED IN A COMPUTER.

DEBATE ON THE BILL WAS ADJOURNED.

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INTERNATIONAL CALLING CARD SERVICE TO BE EXPANDED

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A RESOLUTION WAS INTRODUCED TO THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) TO ENABLE THE HONG KONG TELEPHONE COMPANY TO EXPAND ITS INTERNATIONAL CALLING CARD SERVICE.

MOVING A MOTION UNDER THE TELEPHONE ORDINANCE, THE SECRETARY FOR ECONOMIC SERVICES, MRS ANSON CHAN, SAID THE INTERNATIONAL CALLING CARD SERVICE CURRENTLY ALLOWED SUBSCRIBERS TO MAKE IDD CALLS FROM ANY DIGITAL TONE DIALLING TELEPHONE IN HONG KONG.

THE SUBSCRIBER SIMPLY DIALS A PERSONAL IDENTIFICATION NUMBER, OR PIN, BEFORE MAKING THE CALL.

THE CALL CHARGE AND A SERVICE SURCHARGE OF \$2 PER CALL ARE THEN BILLED TO THE SUBSCRIBER'S ACCOUNT.

SHE SAID THE COMPANY'S PROPOSAL WAS TO EXPAND THE SERVICE TO ALLOW SUBSCRIBERS TO MAKE BOTH IDD CALLS AND OTHER CHARGEABLE CALLS TO HONG KONG FROM OVERSEAS USING THEIR PIN.

SHE SAID CALLS WOULD BE CHARGED AT LOCAL RATES AND WOULD BE SUBJECT TO THE SAME \$2 SURCHARGE AS OUTBOUND CALLS FROM HONG KONG, ADDING THAT SUBSCRIBERS WOULD BE BILLED LOCALLY.

NOTING THAT THE SURCHARGE FOR USING THIS SERVICE WAS TO COVER THE COMPANY'S COSTS, SHE SAID: "THE ADMINISTRATION HAS EXAMINED THE BASIS FOR THE CHARGE, AND CONSIDERS IT TO BE A REASONABLE REFLECTION OF THE COST OF PROVIDING THE SERVICE."

UNDER SECTION 26(1) OF THE TELEPHONE ORDINANCE, THE HONG KONG TELEPHONE COMPANY IS ALLOWED TO LEVY CHARGES FOR ITS SERVICES AT LEVELS WHICH DO NOT EXCEED THE LIMITS SHOWN AT THE SCHEDULE TO THE ORDINANCE.

SECTION 26(2) OF THE ORDINANCE EMPOWERS THE COUNCIL TO AMEND THE SCHEDULE OF CHARGES BY RESOLUTION.

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APPROPRIATION BILL 1992 PASSED IN LEGCO

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THE APPROPRIATION BILL 1992 WAS PASSED WITHOUT AMENDMENT IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

ALSO PASSED WITHOUT AMENDMENT WERE SIX BILLS - INLAND REVENUE (AMENDMENT) BILL 1992, STAMP DUTY (AMENDMENT) (NO. 2) BILL 1992, NURSES REGISTRATION (AMENDMENT) BILL 1992, MIDWIVES REGISTRATION (AMENDMENT) BILL 1992, PHARMACY AND POISONS (AMENDMENT) BILL 1992 AND UNIVERSITY OF HONG KONG (AMENDMENT) BILL 1992.

THE COMPUTER CRIMES BILL 1992 WAS INTRODUCED FOR FIRST AND SECOND READINGS. DEBATE ON IT WAS ADJOURNED.

IN ADDITION, THE MOTION MOVED BY THE SECRETARY FOR ECONOMIC SERVICES, MRS ANSON CHAN, UNDER THE TELEPHONE ORDINANCE WAS PASSED.

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GOVERNOR VISITS SWD'S REGIONAL OFFICE

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THE GOVERNOR, LORD WILSON, THIS (WEDNESDAY) AFTERNOON SAW HOW SERVICES FOR YOUTH, FAMILIES AND NEEDY PEOPLE ARE PROVIDED BY THE SOCIAL WELFARE DEPARTMENT (SWD) IN THE WEST KOWLOON REGION.

LORD WILSON, ACCOMPANIED BY THE DIRECTOR OF SOCIAL WELFARE, MR M.D. CARTLAND, VISITED THE SWD'S WEST KOWLOON REGIONAL OFFICE IN THE MONG KOK GOVERNMENT OFFICES BUILDING AND THE DEPARTMENT'S BEGONIA ROAD BOYS' HOME IN YAU YAT CHUEN.

AT THE REGIONAL OFFICE, THE GOVERNOR MET THE REGIONAL SOCIAL WELFARE OFFICER (WEST KOWLOON), MRS PUN LEE WAI-CHUN AND WAS BRIEFED ON THE SERVICES PROVIDED BY THE DEPARTMENT AND NON-GOVERNMENTAL ORGANISATIONS IN THE REGION.

THE GOVERNOR VISITED THE DEPARTMENT'S YOUTH OFFICE, SOCIAL SECURITY FIELD UNIT AND FAMILY SERVICES CENTRE.

HE DISCUSSED WITH THE STAFF MEMBERS WHAT THEY DO TO HELP YOUNG PEOPLE AND FAMILIES OVERCOME THEIR PROBLEMS. HE ALSO STOPPED TO CHAT WITH PEOPLE MAKING USE OF THESE SERVICES.

THE GOVERNOR THEN WENT TO SEE THE BEGONIA ROAD BOYS' HOME WHERE HE WAS MUCH IMPRESSED BY A MURAL FEATURING A BEAUTIFUL COUNTRYSIDE VIEW - JOINTLY CREATED BY THE BOYS AND STAFF OF THE HOME.

"THE DEDICATED STAFF WORKING IN THIS BOYS' HOME ARE DOING AN EXCELLENT JOB HELPING JUVENILE OFFENDERS TO RE-INTEGRATE INTO THE COMMUNITY," LORD WILSON SAID.

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FINANCIAL ASPECTS OF AIRPORT CORE PROGRAMME

Updated financial details for the Airport Core Programme have been announced today by the Government.

These show that the cost to be borne by the Government for the ten airport core projects has remained constant at \$59.3bn, although the overall costs estimate has increased by 13.8 per cent to \$112.2bn from the \$98.6bn figure announced last July (all figures at March 1991 prices).

/THE INCREASED

The increased costs arise from some design changes, plus refinement of the estimates.

Commenting on the updated estimates, Mr Hamish MacLeod, Financial Secretary, said:

"The fact that the government's contribution remains unchanged at \$59.3bn is important and is to be welcomed. It has been possible to achieve this because increases in certain project costs are offset by lower equity requirements and by previously unquantified reimbursement from the MTRC.

"This means that the cost to the public of the infrastructure programme, which is essential for Hong Kong's future, is being strictly contained. It is also important to note that Government expenditure on ACP projects up to 1996-97 will only absorb about one-quarter of total government capital expenditure.

"We are confident that the project costs will be kept under control. We have put in place a specially designed project management and cash-limiting cost-control system, and we are also using fixed price lump sum contracts as far as possible."

The new estimates for each core project are set out in the following table, with the new total of \$112.22 billion

(All figures in \$million at March 1991 prices)

Project (1)	Government		Private Sector		Revised Total Estimates (6)
	Capital expendi- ture (2)	Equity (3)	Other sources of funding to AA/ MTRC (4)*	Private invest- ment (5)	
Chek Lap Kok Airport	3,100	13,600	20,100	9,500	46,300
North Lantau Expressway	5,790				5,790
Tung Chung Phase 1	2,210				2,210
Lantau Fixed Crossing	11,960				11,960
Route 3	6,050				6,050
West Kowloon Reclamation	10,010				10,010
West Kowloon Expressway	2,230				2,230
Western Harbour Crossing				4,150	4,150
Airport Railway		3,000	19,160		22,160
Central & Wanchai Reclamation	1,900				1,900
Utilities & Others	2,360				2,360
DEDUCT Airport Railway cost in Government projects	(2,900)				(2,900)
Total	42,710	16,600	39,260	13,650	112,220

Note: Column (4) represents the balancing figures between the total project costs in column (6) and sources of funding in columns (2), (3) and (5). It includes mainly borrowing as well as other sources of funds such as revenue from land development and deferred dividend (in the case of the MTRC), but excludes financing costs and interest.

The unchanged \$59.3bn Government costs estimate includes a figure of \$53.7bn given last July in an information paper, which also provided for Government costs on the Central and Wanchai Reclamation (\$1.8bn) and Airport Railway equity (\$3.8bn).

As announced last July, the government also needs to provide an additional overall ACP contingency allowance for possible variations in the scope and speed of contracts and project interface issues. This contingency has now been put at \$2.5bn.

The estimated cost of the new airport at Chek Lap Kok has risen by \$1.5bn to \$46.3bn, mainly as a result of a more accurate assessment of costs that has become possible since last July. Of the \$46.3bn cost, \$1.2bn would be offset by pre-opening revenues that were not shown in last July's figures.

The Airport Railway cost was announced last July with a base estimate of \$12.5bn. The estimate now stands at \$22.1bn, but the actual cost increase amounts to \$3.9bn. This increase is needed to cover essential railway design modifications and some extra civil engineering works.

The remaining \$5.7bn partly covers costs of AR-related civil works on Chek Lap Kok, North Lantau and the Lantau Fixed Crossing, which were originally included under the other ACP projects. It also covers land acquisition and design, construction supervision and management costs which, in line with common practice, were not included last July.

The planned financial arrangements for new Airport and the Airport Railway are based on a Government equity investment of \$13.6bn into the Airport Authority and \$3bn into the MTRC.

The government will also provide support in other ways, for example by following past practice of granting land to the MTRC at full market value so that profits from property development can be used to reduce the need for Government equity.

As the sole shareholder of the Airport Authority and the MTRC, the government must also ensure that the corporations have a sufficiently comprehensive financial package to enable them to raise loans in the private sector without needing Government guarantees. This involves demonstrating, as a form of insurance, that the Government will provide necessary financial support in the most adverse circumstances.

It has been decided that the most cost-effective form of insurance is for the Government to provide "callable equity", which can be drawn on by the corporations in such circumstances. This has been estimated at \$5.9bn (1991 prices) for the Airport and about \$7bn for the Airport Railway. These figures are not shown in the table of costs because they are only contingent liabilities.

Details of the latest government estimates and plans are included in a paper, An Update on the Financial Aspects of the Airport Core Programme. This paper has been presented to the Airport Committee and is to be discussed tomorrow (Thursday) morning at meetings of the LegCo Ad Hoc Group and the Airport Consultative Committee.

MONETARY STATISTICS FOR FEBRUARY RELEASED

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HONG KONG DOLLAR DEPOSITS DECREASED SLIGHTLY DURING FEBRUARY THIS YEAR, ACCORDING TO STATISTICS PUBLISHED TODAY (WEDNESDAY) BY THE MONETARY AFFAIRS BRANCH.

COUPLED WITH A DECLINE IN LEGAL TENDER NOTES AND COINS HELD BY THE PUBLIC AFTER THE CHINESE NEW YEAR, HONG KONG DOLLAR MONEY SUPPLY FELL DURING THE MONTH.

YEAR-ON-YEAR, HOWEVER, THE BROADEST DEFINITION OF MONEY SUPPLY, HK\$M3, ROSE BY 12.7%, BROADLY IN LINE WITH THE GROWTH IN ECONOMIC ACTIVITY.

HONG KONG DOLLAR LOANS AND ADVANCES, ON THE OTHER HAND, RECORDED AN INCREASE DURING THE MONTH.

LEGAL TENDER NOTES AND COINS

INFLUENCED BY THE HIGH COMPARISON BASE IN JANUARY DUE TO THE CHINESE NEW YEAR, LEGAL TENDER NOTES AND COINS HELD BY THE NON-BANK PUBLIC DECREASED BY 12.2% DURING FEBRUARY 1992, FOLLOWING INCREASES OF 3.0% AND 24.2% DURING DECEMBER 1991 AND JANUARY 1992 RESPECTIVELY.

COMPARED WITH A YEAR EARLIER, THEY INCREASED THOUGH BY 11.2%.

DEPOSITS

HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS, ADJUSTED TO INCLUDE SWAP DEPOSITS, FELL BY 0.1% DURING FEBRUARY 1992, FOLLOWING AN INCREASE OF 1.2% DURING DECEMBER 1991 AND A DECREASE OF 1.2% DURING JANUARY 1992.

AMONG THESE DEPOSITS, DEMAND DEPOSITS DECREASED BY 9.3%, WHILE SAVINGS DEPOSITS AND TIME DEPOSITS INCREASED BY 0.9% AND 1.4% RESPECTIVELY DURING FEBRUARY.

YEAR-ON-YEAR, TOTAL HONG KONG DOLLAR DEPOSITS GREW BY 13.0%.

FOREIGN CURRENCY DEPOSITS WITH AUTHORISED INSTITUTIONS INCREASED BY 0.2% DURING FEBRUARY 1992, AFTER INCREASES OF 3.0% AND 1.4% DURING DECEMBER 1991 AND JANUARY 1992 RESPECTIVELY.

OF THESE DEPOSITS, U.S. DOLLAR DEPOSITS ROSE BY 0.7% WHILE NON-U.S. DOLLAR DEPOSITS FELL BY 0.2%. YEAR-ON-YEAR, TOTAL FOREIGN CURRENCY DEPOSITS INCREASED BY 8.4%.

DURING FEBRUARY, DEPOSITS OF ALL CURRENCIES WITH LICENSED BANKS AND RESTRICTED LICENCE BANKS ROSE BY 0.1% AND 1.9% RESPECTIVELY WHILE DEPOSITS WITH DEPOSIT-TAKING COMPANIES FELL BY 1.7%.

/YEAR-ON-YEAR

YEAR-ON-YEAR, DEPOSITS WITH LICENSED BANKS GREW BY 11.8% WHILE DEPOSITS WITH RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES DECLINED BY 4.9% AND 26.3% RESPECTIVELY.

MONEY SUPPLY

HK\$M1, HK\$M2 AND HK\$M3 DECREASED BY 10.5%, 1.0% AND 1.0% RESPECTIVELY DURING FEBRUARY 1992, COMPARED WITH THE CORRESPONDING GROWTH RATES OF 12.5%, 0.7% AND 0.5% DURING JANUARY 1992.

YEAR-ON-YEAR, THESE MONETARY AGGREGATES INCREASED BY 12.3%, 14.4% AND 12.7% RESPECTIVELY. THE GROWTH IN THE BROADEST DEFINITION OF HONG KONG DOLLAR MONEY SUPPLY HAS BEEN BROADLY IN LINE WITH THE GROWTH IN ECONOMIC ACTIVITY.

TOTAL M1, M2 AND M3 DECREASED BY 9.0%, 0.4% AND 0.4% RESPECTIVELY DURING FEBRUARY 1992.

THEIR CORRESPONDING GROWTH RATES DURING JANUARY 1992 WERE 10.0%, 1.2% AND 1.0%. YEAR-ON-YEAR, THESE MONETARY AGGREGATES GREW BY 10.0%, 11.6% AND 10.3% RESPECTIVELY.

LOANS AND ADVANCES

TOTAL OUTSTANDING LOANS AND ADVANCES EXTENDED BY AUTHORISED INSTITUTIONS FELL BY 0.4% DURING FEBRUARY 1992, AFTER INCREASING BY 3.5% AND 1.4% DURING DECEMBER 1991 AND JANUARY 1992 RESPECTIVELY.

OF THE TOTAL OUTSTANDING LOANS, THOSE DENOMINATED IN HONG KONG DOLLAR INCREASED BY 0.4%, WHILE THOSE DENOMINATED IN FOREIGN CURRENCY FELL BY 0.8%. YEAR-ON-YEAR, THESE LOANS INCREASED BY 18.6% AND 23.6% RESPECTIVELY.

LOANS TO FINANCE VISIBLE TRADE OF HONG KONG DECREASED BY 2.4% DURING FEBRUARY 1992, AFTER A DECREASE OF 0.2% IN DECEMBER 1991 AND AN INCREASE OF 1.2% DURING JANUARY 1992. YEAR-ON-YEAR, SUCH LOANS GREW BY 10.9%.

OTHER LOANS FOR USE IN HONG KONG INCREASED BY 0.2% DURING FEBRUARY 1992, FOLLOWING INCREASES OF 1.6% AND 1.7% DURING DECEMBER 1991 AND JANUARY 1992 RESPECTIVELY. YEAR-ON-YEAR, THESE LOANS INCREASED BY 17.8%.

LOANS FOR USE OUTSIDE HONG KONG FELL BY 0.5% DURING FEBRUARY 1992, AFTER INCREASES OF 5.1% AND 1.1% DURING DECEMBER 1991 AND JANUARY 1992 RESPECTIVELY. YEAR-ON-YEAR, THESE LOANS GREW BY 38.1%.

/LOANS TO

WEDNESDAY, APRIL 1, 1992

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LOANS TO FINANCE TRADE NOT TOUCHING HONG KONG ROSE BY 2.1% DURING FEBRUARY 1992, AFTER AN INCREASE OF 13.8% IN DECEMBER 1991 AND A DECREASE OF 5.7% IN JANUARY 1992. YEAR-ON-YEAR, THESE LOANS INCREASED BY 40.1%.

NUMBER OF REPORTING INSTITUTIONS

THE NUMBER OF REPORTING LICENSED BANKS, RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES EACH INCREASED BY ONE TO 161, 55 AND 156 RESPECTIVELY.

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TABLE 1 : MONETARY STATISTICS - FEBRUARY 1992

(HK\$mn)

	Feb 1992	Earlier months (% change to Feb 1992)		
		Jan 1992	Nov 1991	Feb 1991
<u>Money Supply</u>				
M1 - HK\$	112,491	125,705 (-10.5)	109,822 (2.4)	100,167 (12.3)
Foreign currency	16,074	15,619 (2.9)	16,488 (-2.5)	16,723 (-3.9)
Total	128,565	141,324 (-9.0)	126,309 (1.8)	116,889 (10.0)
M2 - HK\$*	633,684	640,258 (-1.0)	625,891 (1.2)	554,099 (14.4)
Foreign currency*	748,230	747,115 (0.1)	710,842 (5.3)	684,084 (9.4)
Total	1,381,913	1,387,374 (-0.4)	1,336,733 (3.4)	1,238,183 (11.6)
M3 - HK\$*	656,528	663,344 (-1.0)	651,596 (0.8)	582,632 (12.7)
Foreign currency*	789,571	787,943 (0.2)	753,714 (4.8)	728,194 (8.4)
Total	1,446,099	1,451,287 (-0.4)	1,405,310 (2.9)	1,310,826 (10.3)
Notes and coins in circulation	53,150	61,738 (-13.9)	47,512 (11.9)	47,559 (11.8)
of which held by public	46,430	52,909 (-12.2)	41,355 (12.3)	41,739 (11.2)
<u>Total Deposits</u>				
Total Demand deposits	82,135	88,414 (-7.1)	84,955 (-3.3)	75,151 (9.3)
Total Savings deposits	316,471	310,750 (1.8)	307,303 (3.0)	246,640 (28.3)
Total Time deposits with licensed banks	919,744	918,439 (0.1)	887,089 (3.7)	857,197 (7.3)
Total Time deposits with restricted licence banks	38,664	37,961 (1.9)	41,068 (-5.9)	40,672 (-4.9)
Total Time deposits with deposit-taking companies	22,372	22,750 (-1.7)	24,331 (-8.1)	30,335 (-26.3)
HK\$ deposits*	596,800	597,130 (-0.1)	596,751 (0.0)	527,925 (13.0)
US\$ deposits*	316,976	314,617 (0.7)	302,712 (4.7)	293,976 (7.8)
Other foreign currency deposits*	465,610	466,567 (-0.2)	445,283 (4.6)	428,094 (8.8)
All deposits	1,379,386	1,378,315 (0.1)	1,344,746 (2.6)	1,249,995 (10.4)
Foreign currency swap deposits	40,067	41,946 (-4.5)	38,957 (2.8)	59,744 (-32.9)
<u>Total Loans and advances</u>				
To finance H.K.'s visible trade	81,632	83,623 (-2.4)	82,837 (-1.5)	73,604 (10.9)
To finance merchandising trade not touching H.K.	11,926	11,678 (2.1)	10,885 (9.6)	8,513 (40.1)
Other loans for use in H.K.	832,311	830,865 (0.2)	803,683 (3.6)	706,401 (17.8)
Other loans for use outside H.K.	1,301,457	1,308,063 (-0.5)	1,231,048 (5.7)	942,529 (38.1)
Other loans where the place of use is not known	38,036	40,572 (-6.3)	39,696 (-4.2)	127,353 (-70.1)
Loans in HK\$	739,186	736,501 (0.4)	711,178 (3.9)	623,255 (18.6)
Loans in foreign currencies	1,526,177	1,538,300 (-0.8)	1,456,971 (4.7)	1,235,145 (23.6)
Total loans and advances	2,265,362	2,274,801 (-0.4)	2,168,149 (4.5)	1,858,400 (21.9)

* Adjusted for foreign currency swap deposits. Starting from April 1991, swap deposits can further be broken down into US dollar and non-US dollar foreign currency swap deposits.

Note : 'Restricted licence banks' and 'deposit-taking companies' were known as 'licensed deposit-taking companies' and 'registered deposit-taking companies' respectively before 1 February 1990.

IN SITU EMPLOYMENT IN NEW TOWNS PURSUED

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ONE OF THE MAIN CONCEPTS IN THE PLANNING AND DEVELOPMENT OF NEW TOWNS IS TO ACHIEVE A LARGE MEASURE OF "SELF-CONTAINMENT", INCLUDING THE PROVISION OF ADEQUATE EMPLOYMENT OPPORTUNITIES FOR THE WORKING POPULATION, PARTICULARLY WITH REGARD TO MANUFACTURING INDUSTRY.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR A.G. EASON, IN A WRITTEN REPLY TO A QUESTION BY THE HON GILLERT LEUNG KAM-HO IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

MR EASON SAID THIS WAS NORMALLY DONE IN THE PLAN-MAKING PROCESS THROUGH THE RESERVATION OF INDUSTRIAL LAND IN ACCORDANCE WITH DESIGN POPULATION.

"HOWEVER, DUE TO A NUMBER OF REASONS NOT RELATED TO TOWN PLANNING, THE NEW TOWNS ARE TO SOME EXTENT STILL DEPENDENT ON THE OLDER URBAN AREAS FOR EMPLOYMENT OPPORTUNITIES," HE SAID.

IT IS ESTIMATED THAT THE RATE OF "IN SITU EMPLOYMENT" IS ROUGHLY 50 PER CENT AND THE PERCENTAGE CAN BE EXPECTED TO INCREASE AS NEW TOWNS MATURE.

TO CATER FOR THE NEEDS OF COMMUTING WORKERS, MR EASON SAID THE ADMINISTRATION AIMED TO PROVIDE AN EFFICIENT TRANSPORT NETWORK FOR THE NEW TOWNS.

THIS INCLUDES THE ELECTRIFICATION AND DOUBLE TRACKING OF THE KOWLOON-CANTON RAILWAY (KCR), SEVERAL HIGH CAPACITY HIGHWAYS AND TUNNELS, TO LINK THE NEW TOWNS WITH THE OLDER URBAN AREAS.

A COMPREHENSIVE PUBLIC TRANSPORT SYSTEM, INCLUDING BUSES, MINI-BUSES, HOVERCRAFT AND FERRY SERVICES, THE MASS TRANSIT RAILWAY BETWEEN TSUEN WAN AND URBAN AREAS AND THE LIGHT RAIL TRANSIT BETWEEN TUEN MUN AND YUEN LONG HAVE ALSO BEEN PROVIDED.

HE ADDED THAT FURTHER EXTENSIONS TO TIN SHUI WAI WERE PROPOSED.

"THE PUBLIC TRANSPORT SERVICES FOR THE NEW TOWNS HAVE ALSO BEEN DEVELOPED IN A MANNER SENSITIVE TO THE DEMAND FOR COMMUTING TO EMPLOYMENT CENTRES IN THE OLDER URBAN AREAS.

"THERE IS A WELL ESTABLISHED PLANNING MECHANISM UNDER WHICH THE FIVE-YEAR PLANS OF MAJOR PUBLIC TRANSPORT OPERATORS ARE ROLLED FORWARD ANNUALLY AFTER CONSULTATION WITH THE RELEVANT DISTRICT BOARDS," HE SAID.

ALSO, THE CAPACITY OF THE KCR HAS EXPANDED SUBSTANTIALLY SINCE THE EARLY 80'S TO MEET THE TRAVELLING NEEDS FROM SHA TIN, TAI PO, NORTH DISTRICT AND MORE RECENTLY MA ON SHAN.

/FURTHERMORE, THERE

FURTHERMORE, THERE HAS BEEN A SUSTAINED EXPANSION OF RESIDENTIAL COACH SERVICES IN THE PAST FIVE YEARS. THESE SUPPLEMENT FRANCHISED BUS SERVICES DURING RUSH HOURS TAKE NEW TOWN RESIDENTS DIRECT TO THEIR WORK PLACES.

MR EASON SAID EXISTING PUBLIC TRANSPORT SERVICES FOR THE NEW TOWNS WOULD BE FURTHER EXPANDED AND IMPROVED IN THE LIGHT OF CHANGES IN DEMAND ARISING FROM POPULATION RE-DISTRIBUTION.

OVER THE NEXT FIVE YEARS, FOR INSTANCE, KOWLOON MOTOR BUS CO. PLANS TO INCREASE THE NUMBER OF BUSES SERVING THE TSEUNG KWAN O NEW TOWN BY 55 PER CENT IN LINE WITH ANTICIPATED POPULATION INTAKE, HE SAID.

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AIRPORT CONSULTATIVE COMMITTEE SPECIAL MEETING

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MEMBERS OF THE CONSULTATIVE COMMITTEE ON THE NEW AIRPORT AND RELATED PROJECTS WILL BE BRIEFED ON THE FINANCIAL ASPECTS OF THE AIRPORT CORE PROGRAMME AT A SPECIAL MEETING TOMORROW (THURSDAY) MORNING.

THE SPECIAL MEETING WILL BE HELD AT THE GOVERNMENT SECRETARIAT CONFERENCE HALL, FIRST FLOOR, CENTRAL GOVERNMENT OFFICES, MAIN WING (NEW ANNEXE), AND WILL START AT 11 AM.

MEMBERS OF THE PUBLIC WHO WISH TO OBSERVE THE PROCEEDINGS ARE REQUESTED TO RESERVE A SEAT BY TELEPHONING MS LEUNG WING-CHONG ON TEL. 802 3511.

AS SEATS IN THE CONFERENCE HALL ARE LIMITED, BOOKINGS WILL BE FIRST-COME, FIRST-SERVED.

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ATTENTION NEWS EDITORS:

MEANWHILE, THE FINANCIAL SECRETARY, MR HAMISH MACLEOD, WILL CHAIR A PRESS CONFERENCE AT 2.30 PM AT THE GIS PRESS CONFERENCE ROOM, FIFTH FLOOR, BEACONSFIELD HOUSE, QUEEN'S ROAD CENTRAL, HONG KONG.

NEWS MEDIA REPRESENTATIVES ARE INVITED TO COVER THE CONSULTATIVE COMMITTEE MEETING AND THE PRESS CONFERENCE.

COPIES OF PAPERS WILL BE MADE AVAILABLE HALF AN HOUR BEFORE THE CONFERENCE BEGINS.

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PROHIBITION ON USE OF ADVERTISING VEHICLES

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A BILL GIVING LEGISLATIVE EFFECT TO THE DECISION TO PROHIBIT THE USE OF VEHICLES SOLELY FOR COMMERCIAL ADVERTISING PURPOSES WILL SOON BE INTRODUCED INTO THE LEGISLATIVE COUNCIL.

THE ROAD TRAFFIC (AMENDMENT) (NO. 2) BILL 1992 MAKES IT AN OFFENCE TO USE AN ADVERTISING VEHICLE WITHOUT A PERMIT OR IN CONTRAVENTION OF THE PERMIT CONDITIONS.

THE MAXIMUM PENALTY FOR SUCH AN OFFENCE WILL BE A FINE OF \$5,000 AND IMPRISONMENT FOR THREE MONTHS ON FIRST CONVICTION AND \$10,000 AND IMPRISONMENT FOR SIX MONTHS FOR ANY SUBSEQUENT CONVICTION.

A GOVERNMENT SPOKESMAN SAID THE PURPOSE OF THE BILL WAS TO STOP THE USE OF COMMERCIAL ADVERTISING VEHICLES WHICH DID NOT PERFORM ANY TRANSPORTATION FUNCTION AND ADD TO TRAFFIC CONGESTION IN BUSY AREAS.

"THE BILL EMPOWERS THE COMMISSIONER FOR TRANSPORT TO ISSUE PERMITS FOR THE DISPLAY OF NON-COMMERCIAL ADVERTISING FOR LIMITED PERIODS AND IN EXCEPTIONAL CIRCUMSTANCES, SUCH AS FOR ELECTION CAMPAIGNS OR APPROVED CHARITABLE FUNCTIONS," HE ADDED.

THE BILL ALSO PROVIDES FOR TRANSITIONAL ARRANGEMENTS TO ENABLE THE CONTINUED OPERATION OF COMMERCIAL ADVERTISING VEHICLES WITH PERMITS ISSUED UNDER THE EXISTING LEGISLATION UNTIL THESE PERMITS EXPIRE.

IN ADDITION, THE ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) REGULATIONS WILL BE AMENDED TO RAISE THE ADVERTISING VEHICLE PERMIT FEE FROM \$50 TO \$100.

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GOVT OFFICIALS TO VISIT CHINA

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THE SECRETARY FOR THE TREASURY, MR K.Y. YEUNG, WILL VISIT CHINA FROM APRIL 3 TO 11 AT THE INVITATION OF THE HONG KONG AND MACAU AFFAIRS OFFICE OF CHINA'S STATE COUNCIL.

MR YEUNG WILL BE ACCOMPANIED BY FIVE OTHER HONG KONG GOVERNMENT OFFICIALS.

A GOVERNMENT SPOKESMAN SAID THIS IS ONE OF A SERIES OF VISITS WHICH STARTED A FEW YEARS AGO FOR GENERAL FAMILIARISATION.

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WEDNESDAY, APRIL 1, 1992

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287 VIET REFUGEES LEFT HK LAST MONTH

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A TOTAL OF 287 VIETNAMESE REFUGEES LEFT HONG KONG FOR RESETTELEMET OVERSEAS LAST MONTH (MARCH).

OF THOSE WHO LEFT FOR OVERSEAS RESETTLEMENT, 52 DEPARTED FOR AUSTRALIA, 50 FOR CANADA, THREE FOR FRANCE, SIX FOR SWEDEN, 70 FOR THE UNITED KINGDOM, 38 FOR USA AND ONE FOR HONG KONG.

MEANWHILE, A TOTAL OF 67 REFUGEES LEFT FOR THE REGIONAL TRANSIT CENTRE IN THE PHILIPPINES TO AWAIT RESETTLEMENT OVERSEAS.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	DATE	\$ MILLION
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CLOSING BALANCE IN THE ACCOUNT ON	31.3.92	700
EFFECT OF FORWARDS TO BE SETTLED ON	1.4.92	-207
EFFECT OF OPERATIONS THIS MORNING		+207
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 112.7 **0.2* 1.4.92

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.17 PCT	20 MONTHS	2311	6.25	101.15	5.57
1 MONTH	4.04 PCT	23 MONTHS	2402	5.50	99.33	5.96
3 MONTHS	4.04 PCT					
6 MONTHS	4.32 PCT					
12 MONTHS	4.63 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 8,331 MN

CLOSED 1 APRIL 1992

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