

Hong Kong Women Professional and Entrepreneur Association

Discussion Paper on The 2004 Policy Address Seizing Opportunities for Development Promoting People-based Governance, The 2004-05 Budget and the Hong Kong 2030 Planning Vision and Strategy

A. The 2004 Policy Address

1. Seizing Opportunity to Expedite Restructuring

1.1 To restructure Hong Kong into a knowledge-based economy and a hub for creative industry and finance, we need talented people. The government should study what kind of environment would attract and keep talented people to work and live in Hong Kong. Huge projects like Science Park, Cyberport, West Kowloon Development etc may not be the only elements, though they seemed to show the public the government's commitment and actions towards this goal. The government should pay more attention to the soft ware, but yet are strong factors in attracting high quality people to work and live in Hong Kong. We hope to see Hong Kong developing into a multi-cultural, diversified, democratic, tolerant and caring society.

1.2 We are pleased to see the implementation of CEPA and the opportunities that the Central Government have given to Hong Kong. The details on the logistics in implementing CEPA in every profession and industry should be rolled out quickly. The requirements for Hong Kong companies to set up businesses in the mainland should be realistic and not too demanding such that local companies can truly reap the benefit of CEPA.

1.3 As competition continues to heat up between the ports and major cities of mainland China and Hong Kong, the government should try to build on our strengths and correct our weaknesses. Reinforcing corporate governance, raising professional standards, right-sizing the civil service and lowering operating cost of logistics will strengthen Hong Kong's position as a finance and service center. We would like to see the government's confirmation of the timeframe of the Hong Kong-Macau-Zhuhai bridge, Route 10 and the Terminal

no.10.

- 1.4 With signs of economic recovery, the government should seize the opportunity to address issues which are long overdue. The economic downturn in the last 6 years has revealed the weaknesses of Hong Kong's narrow tax base and the vulnerability of the government's dependence on land sale revenue. Introduction of goods and services tax should be studied and seriously considered by the government and different stakeholders.
- 1.5 Another area which needs urgent attention is health care reform. Since the release of the Rainbow Paper more than 10 years ago, followed by the Harvard Report, the government has not delivered any changes to the health care system. The recent SARS outbreak revealed many gaps in the public health care system. A Central Data Bank in infectious diseases should be established between Hong Kong and the Pearl Delta River Region. The rapidly aging population also poses an increasing strain to the health system. The government should widely educate the public on individual health responsibility and encourage private health insurance. Tax incentive in purchasing private health insurance should be provided at the individual and corporate levels. Study on how to sustain the funding of public health care should be carried out.
- 1.6 To enrich the lifestyle of locals and to strengthen tourism, more theme festivals should be held in Hong Kong. These festivals, like Jazz Festival, Chinese Food and Culinary Art Festival, Mardi Gras etc., could be promoted internationally and give Hong Kong a fresh new look. Old districts could be redeveloped into art and cultural area. Old buildings with historical value should be preserved as our cultural heritage. In fact each district has its own features and characteristics which could be capitalized and developed as tourist attractions.

2. Staying Close to the Community and Improving Governance

- 2.1 We would like to see the government's real commitment to the Principal Officials Accountability System. The performance of the Principal Official should be assessed by the public as well as by the government. The government should assess public opinions and respond in a decisive and timely manner.
- 2.2 Again, we would like to see more government advisory bodies to be set up for

the government to gauge the public's opinion. More women should be appointed as members of these advisory bodies, with quotas and within a short timeframe.

B. The 2004-05 Budget

1. The lowering of government operating expenditure from \$217.4b in 2003/04 to \$200b in 2008/09 is a relatively small decrease within the time span of 5 years. We hope to see the government taking a more aggressive approach in cutting expenditure. The civil service should be further streamlined to be in line with a 'small but efficient government'. To further reduce government expenditure, the pay structure and salary level of civil service, statutory bodies and government subsidized NGOs should be comparable with the private sector. Investing in social capital may be better than just handing out welfare assistance. Promoting health insurance and shared responsibility can relieve the pressure on the public health expenditure.
2. We support the government's consideration of introducing new taxes to raise revenue. Intense study and consultation with the business sector and the public are required before formulating new policy. Certain exemptions could be made to alleviate the impact of new tax on the livelihood of disadvantaged group. For example, raw food and medicine could be exempted from the goods and services tax.
3. We support 'user pay' in personalized car number plates and polluters pay principle in protecting the environment, and the issuance of government bond in financing infrastructure projects.
4. The Budget has pinned high hopes on CEPA in reviving the economy, but has not described how CEPA can substantially increase government revenue. We request the government to do a detailed cost-benefit analysis of CEPA and report it in the next Budget.

C. Hong Kong 2030 Planning Vision and Strategy

1. We support the Consolidation Pattern of Planning. The setting up of new towns in the New Territories (eg Tuen Mun) so far has not demonstrated a

higher quality of living in these areas. New Territories should be kept green as the natural heritage of Hong Kong.

2. Urban area with existing infrastructure network should be renewed and enhanced to accommodate and enrich the life style of the growing population.

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