



Bauhinia '2011-2012 Budget' Submission

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智經研究中心

Bauhinia Foundation Research Centre

Bauhinia '2011-2012 Budget' Submission

A three-pronged approach

- Providing timely relief from inflationary pressure
 - To introduce relief measures to mitigate the impact of inflation
- Enhancing Hong Kong's long-term competitiveness
 - To promote economic development --> employment opportunities and wage increases
 - To address structural issues affecting economic growth, i.e., ageing population, opportunities for the youth
- Building a caring community
 - To continue to address the needs of the elderly and the youth in view of an ageing population

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Providing timely relief from inflationary pressure

Appropriate policies to tackle the sources of inflation, i.e. price increases and overheated property market

Providing timely relief from inflationary pressure

Price increases

- Expanding the scope of services by food banks
 - To provide additional financial resources for food banks (i.e. Food Assistance Service Projects) to operate more branches
 - To increase funding for food banks in view of soaring food prices
 - To extend duration of assistance from six to 10 weeks.
- Increasing the number of days for elderly to enjoy fare concessions
 - To discuss with transport service providers an increase in the number of days for elderly passengers to enjoy fare concessions
 - To provide free rides for the aged using public transportation by making reference to the Mainland experience (Shenzhen)

Providing timely relief from inflationary pressure

Price increases

- Introducing one-off relief measures
 - Examples: refund of fees and charges of public utilities, waiving of Government rates and public housing rental
 - To provide additional CSSA payments for one to two months
- Facilitating social enterprises to provide services at lower prices
 - To provide seed money or funding support for establishing more social enterprises providing basic social services or products
 - To assist NGOs through policy support and additional resources in implementing 'labour reward coupons' schemes

Providing timely relief from inflationary pressure

Overheated property market

- Ensuring steady land supply
 - To formulate a medium to long-term land policy based on factors such as Hong Kong's birth rate and family size
 - To provide steady supply of sites through land auction and Application List
 - To impose penalties on delayed projects and land hoarding
 - To increase land resources through reclamation outside the Victoria Harbour, e.g. West Kowloon and the New Territories and development of the un-utilised areas in the Lantau Island
- Expanding the scope of the additional stamp duty
 - To cover commercial premises to curb speculative activities

Providing timely relief from inflationary pressure

Overheated property market

- Assisting first-time home buyers
 - To construct more 'no-frills' flats
 - To grant land to the relevant organisations in building flats valued below HK\$1.5 million with zero downpayment
 - To provide eligible individuals with tax concessions and/ or exemption of stamp duty, e.g.:
 - mortgage loan interest payment
 - flats not sold in five years upon purchase

A three-pronged approach

- Providing timely relief from inflationary pressure
- Enhancing Hong Kong's long-term competitiveness
- Building a caring community

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Enhancing Hong Kong's long-term competitiveness

A more fundamental way to tackle inflation is to improve Hong Kong's economy and long-term competitiveness, which will be translated into employment opportunities and wage increases

Enhancing Hong Kong's long-term competitiveness

Supporting SMEs

- Developing a more sustainable SME loan mechanism
 - To modify the recently launched SME Financing Scheme:
 - To cover other types of SMEs' loan financing in future
 - To involve the guarantor in the underwriting process for better understanding of SME risks
- Tax adjustment
 - To reduce profit tax rate to 15%
 - To reduce profits tax rate to 10% for businesses with assessable profits of less than HK\$1 million
 - To introduce a more competitive tax loss carry-back regime for companies to claim back paid profits tax by offsetting loss during the current fiscal year with the profits earned during the past three years

Enhancing Hong Kong's long-term competitiveness

Youth policy

- Assisting young entrepreneurs
 - To set up a youth enterprise fund with exit clauses and funding support from the government and the business sector
 - To consider organising contests for young entrepreneurs and providing the winners with subsidies and assistance
- Introducing new tax concessions for university student loans
 - To introduce tax concessions for university student loans to alleviate the financial burden of fresh graduates
 - To offer more tax allowances for continuing education
 - To offer more and better choices of continuing education

Policies for an ageing population

- Promoting 'grey hair' market
 - To encourage the development of 'grey hair' market
 - To offer design courses for elderly products
- Encouraging optional retirement
 - To introduce optional retirement to relieve the adverse impact of an ageing workforce
 - To set up a data bank and resources centre for matching elderly with suitable jobs
 - To establish training centres for elder workers who need to be trained for specific types of work in demand
 - To kick-start relevant research studies and public education

Enhancing Hong Kong's long-term competitiveness

Improving local business environment

- To introduce additional tax concessions and new funds to improve business environment
- To strengthen traditional pillar industries while supporting the six priority industries
 - Environmental industries
 - To participate in the environmental protection market in the PRD through regional collaboration
 - To provide land resources for development of environmental industries
 - To apply the procurement policies of the Logistics Department to other government departments
 - To offer tax allowances and technical support to eligible enterprises
 - Education industries
 - To hold large-scale education conventions and expos in the Mainland
 - To cooperate with Shenzhen in funding schools, including international schools, for cross-boundary students
 - To provide Hong Kong's vocational education, professional and international examinations services for the Mainland
 - Creative industries
 - To offer more opportunities for creative training and practices
 - To help local organisations explore new income sources
 - To support innovative business models and services

Enhancing Hong Kong's long-term competitiveness

Reinforcing Hong Kong's intermediary role of facilitating outward direct investments by Mainland enterprises

- To set up an investment body outside the Government to facilitate outward direct investments by Mainland enterprises and to reinforce Hong Kong's position as a hub for capital flows

Constructing the third runway

- To start constructing a third runway to increase the capacity of Hong Kong International Airport

A three-pronged approach

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Building a caring community

A sustainable healthcare system, a better living environment for the aged and a drug-free campus are key components of a caring community

Building a caring community

Promoting primary care

- To introduce a health screening programme targeting specific groups of the population and illnesses of high incidence
- To offer incentives for the private and non-government sectors to incorporate health assessment and health screening into staff medical policies
- To set up a 24-hour health advice hotline manned by registered nurses and an interactive health website
- To promote the Exercise Prescription Project jointly introduced by the Department of Health and the Hong Kong Medical Association

Building a caring community

Catering for the housing needs of elderly outside welfare net

- To make appropriate adjustment to the land price of elderly housing sites
- To provide incentives to developers in bidding for elderly housing sites
- To arrange more residential sites (RA and RB) with a requirement that certain specially designed flats are to be built for elderly households

Building a caring community

Establishing a sports promotion fund

- To establish a new sports promotion fund to work alongside the existing Arts and Sports Development Fund in three major areas:
 - Grooming of elite athletes
 - The fund can be used for grooming elite athletes, and providing job training for retired athletes
 - Sports for all
 - To provide financial support for schools and districts in sports development and promotion
 - Making Hong Kong the place for major sporting events
 - To facilitate and encourage the business sector to conduct more large-scale sporting events (e.g. marathon)

Building a caring community

Expanding the scope of school drug testing

- To provide additional resources and professional support, such as treatment and rehabilitation provisions, for participating schools
- To introduce a tiered intervention structure and set up a central database of persons tested positive
- Putting more emphasis on peer group therapy and family guidance

Building a caring community

Introducing green taxes

- To study the introduction of green taxes in respect of waste recycling, waste disposal and use of landfills along the 'polluter-pays' principle for a greener lifestyle

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Q&A