

(Translation)

**Motion on
“Enhancing the efficacy of the management of public finances”
moved by Hon TAM Heung-man
at the Legislative Council meeting
of Wednesday, 10 January 2007**

Motion as amended by Hon Jeffrey LAM Kin-fung

“That, as the HKSAR Government’s fiscal surplus for this year is anticipated to substantially exceed its expected target, this Council urges that the Government, when drawing up the 2007-2008 Budget, apart from continuing to uphold the principle of fiscal prudence whereby expenditure and savings are effected as necessary, striving to cut expenditure and improve efficiency as well as enhancing the efficacy of the management of public finances, should also explicitly stipulate the appropriate level of fiscal reserves, improve the investment return rate of the Exchange Fund and explore how the fiscal surplus in 2006-2007 can be properly returned to the people through various feasible measures, including reducing the tax rates, particularly to relieve the difficulties encountered by the middle class, striving to improve the business environment, enhancing the competitiveness of enterprises and strengthening support for small and medium enterprises.”