

立法會
Legislative Council

LC Paper No. CB(3) 40/13-14

Ref : CB(3)/M/MM

Tel : 3919 3300

Date : 9 October 2013

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 16 October 2013

**Amendments to motion on
“Optimizing public finances and enhancing the impetus
for innovation in Hong Kong’s economy”**

Further to LC Paper No. CB(3) 24/13-14 issued on 3 October 2013, seven Members (Hon IP Kin-yuen, Dr Hon Elizabeth QUAT, Hon Andrew LEUNG, Hon SIN Chung-kai, Hon Ronny TONG, Hon Cyd HO and Hon Charles Peter MOK) have respectively given notices of their intention to move separate amendments to Hon Kenneth LEUNG’s motion on “Optimizing public finances and enhancing the impetus for innovation in Hong Kong’s economy” scheduled for the Council meeting of 16 October 2013. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon Kenneth LEUNG to speak and move his motion;
- (b) the President proposes the question on Hon Kenneth LEUNG’s motion;
- (c) the President calls upon the seven Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon IP Kin-yuen;
 - (ii) Dr Hon Elizabeth QUAT;

- (iii) Hon Andrew LEUNG;
 - (iv) Hon SIN Chung-kai;
 - (v) Hon Ronny TONG;
 - (vi) Hon Cyd HO; and
 - (vii) Hon Charles Peter MOK;
- (d) the President calls upon the public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon Kenneth LEUNG to speak for the second time on the amendments;
 - (g) the President calls upon the public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the seven Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon IP Kin-yuen to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon IP Kin-yuen's amendment;
 - (i) after Hon IP Kin-yuen's amendment has been voted upon, the President deals with the other six amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Hon Kenneth LEUNG to reply. Thereafter, the President puts to vote the question on Hon Kenneth LEUNG's motion, or his motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Optimizing public finances and enhancing the impetus
for innovation in Hong Kong’s economy”
to be held at the Council meeting of 16 October 2013**

1. Hon Kenneth LEUNG’s original motion

That, given the lack of impetus for innovation in Hong Kong’s economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund.

2. Motion as amended by Hon IP Kin-yuen

That, ~~given the~~ *under the broad environment of economic globalization, there is a* lack of impetus for innovation in Hong Kong’s economy; *economic industries are homogeneous and the development of culture and creative technology is stagnant, resulting in serious aggravation of social and livelihood problems; in this connection,* this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund, *and in particular, to appropriately increase the number of staff on the permanent establishments of government departments and subvented organizations and reduce the number of contract staff; in addition, the Government should adopt new thinking to restructure public finances, properly use the fiscal surplus to plan long-term policies, and substantially increase the recurrent expenditure on policy areas such as education, medical service and social welfare, etc., so as to realize the Government’s long-term commitment to public policies, ensure sufficient funding for policy implementation, alleviate social conflicts, improve people’s livelihood and bring greater benefits to society, rather than relying solely on the various short-sighted and piecemeal one-off measures of ‘handing out candies’ every year; at the same time, the authorities should actively study ways to increase the stability of the overall government revenue, so as to ensure that in times of economic downturn, the Government can still continue to spend resources on various public policies.*

Note: Hon IP Kin-yuen’s amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Dr Hon Elizabeth QUAT

That, *in the Global Competitiveness Report published by the World Economic Forum last month, Hong Kong ranks seventh in the world, rising by two places; but at the same time, the report points out that if Hong Kong is to upgrade its competitiveness, it must enhance its standards of higher education and innovation*; given the ~~lack of~~ *insufficient* impetus for innovation in Hong Kong's economy, this Council urges the Government *to optimize the use of fiscal reserves, take the lead in promoting and guiding the development of technological research, creative industry or other industries with competitive edge and development potentials, so as to open up new economic areas, and at the same time*, to increase substantially its investment in human capital and social infrastructure ~~while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund~~, *with a view to attaining the goal of diversified economic development.*

Note: Dr Hon Elizabeth QUAT's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon Andrew LEUNG

That, *in recent years, Hong Kong's ranking in various global competitiveness surveys has shown a declining trend*; given the lack of impetus for innovation in Hong Kong's ~~economy~~ *economic development*, this Council urges the Government to ~~increase substantially its investment in human capital and social infrastructure while maintaining~~ *formulate long-term infrastructure planning and nurture talents through various channels such as education and vocational training, etc., so as to promote the diversified development of the local economy, enhance Hong Kong's competitiveness and foster upward social mobility, while ensuring the maintenance of* a balanced budget ~~by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund~~ *by reallocation of resources.*

Note: Hon Andrew LEUNG's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon SIN Chung-kai

That, *in respect of global competitiveness, the IMD World Competitiveness Yearbook 2013 published by the Institute for Management Development, Lausanne, Switzerland shows that Hong Kong's global competitiveness ranking has dropped from first to third and is overtaken by the United States*

and Switzerland; in respect of tourism facilities, according to the Travel & Tourism Competitiveness Report 2013 of the World Economic Forum, among the 140 countries and places under survey, Hong Kong ranks 71st, 118th and 50th respectively in ‘tourism infrastructure’, ‘environmental sustainability’, and ‘health and hygiene’; in addition, in respect of freedom of the press, Hong Kong’s ranking in a survey of the Reporters without Borders has dropped from 18th in 2002 to 58th in 2013; given the lack of impetus for innovation in Hong Kong’s economy, the declining competitiveness of various industries and trades, and the erosion of freedom of the press, this Council urges the Government to adopt the following measures, including:

- (1) to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by ~~broadening the tax base~~ **reforming the tax regime** and increasing the types of expenditure under the Capital Works Reserve Fund;*
- (2) to permit enterprises in making declaration of profits to enjoy a 200% tax deduction for their expenses on employee training, purchase of green facilities and scientific research, etc., with a view to encouraging enterprises to provide in-service training to employees, enhance their work in environmental protection and step up scientific research, so as to upgrade Hong Kong’s competitiveness;*
- (3) dovetailing with the conservation policy, to protect Hong Kong’s natural landscape, as well as conserve buildings with local characteristics and intangible cultural heritage, etc., so as to attract tourists and enhance the competitiveness of Hong Kong’s tourism industry;*
- (4) to expeditiously issue additional sound broadcasting licences and television licences by way of auction, so as to increase market competition, and open up the airwaves and introduce public access channels, so as to increase information diversity, thereby providing people with quality programmes and fostering the development of cultural and creative industries; and*
- (5) to expeditiously enact legislation on freedom of information for facilitating public and media access to government records, so as to compensate for the inadequacies of the Code on Access to Information and safeguard the data access rights of the public and freedom of the press, with a view to upholding the core values and competitiveness of Hong Kong.*

Note: Hon SIN Chung-kai’s amendment is marked in ***bold and italic type*** or with deletion line.

6. Motion as amended by Hon Ronny TONG

That, given *the Government's failure to uphold the people-based principle and* the lack of impetus for innovation in Hong Kong's economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while *studying and reviewing how to broaden the tax base, improving the existing over-reliance on the high land price policy and* maintaining a balanced budget by ~~broadening the tax base and increasing the~~ types of expenditure under the Capital Works Reserve Fund.

Note: Hon Ronny TONG's amendment is marked in *bold and italic type* or with deletion line.

7. Motion as amended by Hon Cyd HO

That, given the lack of impetus for innovation in Hong Kong's economy, *coupled with great disparity between the rich and the poor as well as low social mobility, thereby impeding the economic vitality,* this Council urges the Government to *optimize its regular fiscal surplus by adding \$20 billion to its recurrent expenditure, so as to* increase substantially its investment in human capital and social infrastructure ~~while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the~~ Capital Works Reserve Fund.

Note: Hon Cyd HO's amendment is marked in *bold and italic type* or with deletion line.

8. Motion as amended by Hon Charles Peter MOK

That, given the lack of impetus for innovation in Hong Kong's economy, this Council urges the Government to increase substantially its investment in human capital and social infrastructure while maintaining a balanced budget by broadening the tax base and increasing the types of expenditure under the Capital Works Reserve Fund; *this Council also urges the Government to formulate long-term, comprehensive and concrete policies on technology industries, including enhancing technology education, creating a good environment for starting up businesses, supporting the development of local applied scientific research and technology transfer, and assisting Hong Kong technological enterprises in developing the local, Mainland and overseas markets, so as to further strengthen the economic impetus of Hong Kong.*

Note: Hon Charles Peter MOK's amendment is marked in *bold and italic type*.