

# **Budgeting for a Sustainable Economy and Most Livable City**

## **Submission on 2009-10 Budget**

### Executive Summary

**The Professional Commons**

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1. Hong Kong is in economic recession. The growth in Gross Domestic Product (at current market prices and year-on-year comparison) dropped for already two consecutive quarters in 2008, from 9.8% in the first quarter to 3.8% in the third quarter respectively. As reviewed in latest economic forecasts, the anticipated economic growth of Hong Kong in 2009 has been continuously revised downward.
2. Although the Government has proposed a number of measures tackling the economic crisis recently, it is simply playing the same old tune, and is unable to propose innovative measures.
3. Rather than restrained to short-term measures, The Professional Commons believes that it would be important for the Financial Secretary to take into consideration the following principles when formulating its plans for the upcoming Budget:
  - Wiser usage/spending of public resources for economic and social development;
  - Wider application of information and communications technology;
  - Better training of human capital; and
  - Heading towards the goal of “most livable city”.
4. In view of this, we have proposed a list of policy proposals as follows:

**Review of the Fundamental Elements in Economic and Fiscal Policy**

5. The remedial measures proposed by the Government failed to address the shortfall in the local economy exposed in current economic turmoil, particularly the deteriorating business environment that damaged the economic vibrancy. We urge the Government to review the following:
6. **Land Policy** The established land policy should be reviewed in a bid to pro-actively develop a competitive market with balanced negotiating power between the buyers and sellers in the real estate market.

7. **Development Mix outside the Metro Core:** A hierarchy of business nodes should be developed, (which might comprised of supporting facilities such as hotels, service apartments ...etc), along with residential developments should be developed on areas outside the metro core. Nam Cheong Station could serves as an example.
8. **Operations of the Capital Works Reserve Fund:** The operations and the income and expenditure flow of the Capital Works Reserve Fund should be critically reviewed, to enable public resources to be used in a more productive and effective manner.
9. **Objective Reassessment of the Cost and Benefit of the “Ten Major Infrastructure Projects”:** Given that most of the “Ten Major Infrastructure Projects” as suggested in the 2007/08 Policy Address are still in the planning stage, and in response to the public concern over the cost effectiveness of some of the projects, it would be advisable for the Government to further conduct cost-benefit analysis on the respective projects thoroughly, in terms of their economic and social benefits they would bring, as well as their environment sustainability.

#### **Ten Information Infrastructure Projects**

10. Hong Kong is lack of an outstanding IT infrastructure if we want to develop an innovative and sophisticated economy. We should therefore build up a well-rounded IT infrastructure, as well as facilitating the use of IT in other business sector with a high level of connectivity and availability. In sum, we list out ten information infrastructure projects as follows:
11. **E-citizen:** The development and introduction of the e-Citizen account and the “My Government” (MyGov) page should be expedited in a bid to provide personalized services from all Government departments to all citizens, ranging from payment, renewals, bookings, government-related transactions to other e-services.
12. **Healthcare:** The Government should expand and expedite the development of Electronic Health Records and Health IT system in general, through involving the private sector with more transparency as to the model of future development.

13. **Transport:** The planning process concerning the development of Real-Time Traffic Information and Dynamic Vehicle Navigation systems and services in Hong Kong should be expedited and expanded.
14. **Education:** It is advisable to expand and expedite the development of electronic books for primary and secondary school education, and more actively involving the information and communications sector in its development. The Government should improve support for teachers in IT education by creating an establishment of at least one IT assistant in each school in Hong Kong, who should schools, and the use of IT in teaching.
15. **Tourism:** The Hong Kong Tourist Board should upgrade the performance of existing platform to provide location-based tourist information service to enhance tourists' experience while traveling in Hong Kong. The overhaul should be proceeded through collaboration with the private sector.
16. **Food Safety:** The Government should establish a framework and pilot project for food product labeling and database search services, using a variety of technologies such as bar-codes, Radio Frequency Identification and near-field communications in phases.
17. **Wireless City:** To realize the promise of Hong Kong as a Wireless City, by the Government should facilitate the access of public facilities for wireless network service providers, and further invest in promoting the development of mobile and wireless applications and content services.
18. **Information Security:** The Government should increase and provide sustain funding for Hong Kong's computer emergency response center, and enlarge its scope of responsibilities to conduct proactive network monitoring against malicious activities.
19. **Digital Inclusion:** The broadband Internet access charges should be included as one of the basic living expenses under the CSSA Scheme for needy families with students.
20. **Research & Development:** The application processes of the Innovation and Technology Fund should be facilitated, streamlined and expedited, so that more ICT companies may apply for it to conducting R&D.

## **Enhancement of the Quality of Teaching in School**

21. **Special Provision of Capacity Enhancement Grant:** In light of the education reform underway and the growing pressure facing the teaching and clerical staff in school, it would be advisable to increase the special provision under the Capacity Enhancement Grant (CEG) further by 100% for both aided primary and secondary school. The CEG rate for each school will then be increased to around HK\$1 million per annum, which will be allowed to deploy flexibility in a bid to meet their specific needs, such as recruiting the following four categories of people.
- Teaching Staff/Assistants to facilitate Integrated Education in schools;
  - Clerical Staff to handle heavy administrative workload;
  - Librarians to push forward the “Reading to Learn” Programme”; or
  - Coaches in sports and fine arts to facilitate students in nurturing multi-dimensional talents.

## **Complementary Measures in Works-related Projects**

22. The Government should push forward immediate financial and manpower allocations for small scale enhancement or maintenance programmes to provide the facilities in need or fix the facilities in need of repair. For a smooth implementation of these projects, the capability in project coordination as well as communication between the works departments and the local community would be crucial for resolving possible conflicts involving disturbances and noises. We therefore proposed the following:
23. **Upgrading Existing Facilities:** To help create jobs in the short-term, it would be more feasible to put forward small scale improvement projects and minor works projects requiring a lesser level of planning and scrutiny. For instance, The Highways Department should consider putting in place enhancement projects first and further supporting facilities at various parts of the existing cycling track. It should discuss with public transport operators to improve the access to the stations of the existing cycling paths.
24. **Better Liaison with the Local Community:** Greater importance should be attached to liaison between the parties involved directly in the works programmes and with the local community.

25. **Grooming New Blood for Local Construction Sector:** In view of the ageing of the construction workers, and the increase in the demand for manpower arising from the “10 Major Infrastructures”, the Government should earmark more financial resources for the promotion and increase of places of the courses operated by the Construction Industry Training Authority.

### **Planning beyond the “Ten Major Infrastructure Projects”**

26. The Government should go beyond the “Ten Major Infrastructure Projects”, and consider alternative projects that could help make Hong Kong one of the “most livable city”, and take a more insightful and forward-looking approach in the planning of infrastructure through incorporating the principles of sustainable development and international standards.
27. **Cleaner Air:** The public concern on air quality of Hong Kong should be addressed through adopting a faster pace in the implementation of the latest air quality guidelines of the World Health Organization, and taking the lead to set up a “PRD Emissions Reduction Fund” for the fostering of cross-boundary mitigation and adaptation strategy.
28. **Cleaner Water:** the Water Supplies Department should launch projects for water quality upgrade, water recycling and the biological treatment stage of the Harbour Area Treatment Scheme.
29. **Tackling Climate Change:** To be a responsible global citizen, the Government should strengthen its efforts in the tackling of global climate change, and to promote the introduction of a “low-carbon economy and society”. The Government should put in place a low-carbon and sustainable transport system on a regional basis, strengthen slope protection and coast defence infrastructure, and adopting a low-carbon procurement policy.
30. **Cleaner Energy:** The dependence on petroleum and coal as the main source of energy should be reviewed, and the further utilization of alternative sources of energy, such as natural gas, should be considered.
31. **Creation of a barrier-free society in accessibility of the elderly:** In light of growing ageing population, the Government should facilitate a barrier-free

society for the elderly in terms of the planning in built environment and public transport. All Buildings should become more accessible to the elderly, through the amendment of the Practice Notes from the Building Department, which should take into consideration of the guidelines concerning barrier-free access from the Hong Kong Housing Society.

32. **Spatial Diversity:** A hierarchy of secondary city centre outside the metro core should be developed to address the spatial imbalance across the territory. The development of “secondary city centres” beyond the metro core with a broad development mix of residential, commercial, business services facilities, as well as government facilities, should be thoroughly considered.

### **Concessionary Measures for All**

33. In light of the economic downturn and raising unemployment rate, which adversely affecting the community in general, we believe the Government should provide some concessionary measures that can provide genuine benefits to all.
34. **Public Transport Subsidies:** In view of the increasing burden to the passengers due to the recent fare hikes and withdrawal of concessionary measures by the public transport operators, we propose the provision of an “across-the-board” rebate scheme, that is, the Government should provide a 30% fare rebate per trip for all public transport passengers (except for cross-boundary trips) through Octopus Card for a year.

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