

Press release

LCQ11: Budget consultation

Wednesday, March 30, 2011

Following is a question by the Hon Vincent Fang and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (March 30):

Question:

I have recently received complaints from members of the business sector and the public that while the Financial Secretary, before announcing the 2011-12 Budget, consulted the views of the general public and members of different sectors in a high-profile manner, including broadcasting advertisements via the mass media such as television and radio, distributing publications such as the comic book "Embrace the Future, Believe in the Future" and the booklet "The Financial Secretary Invites Your Views", as well as conducting consultation forums, yet the content of the Budget eventually announced is a far cry from the views expressed by the public and the business sector. The complainants queried whether the consultation earlier was necessary and meaningful given that the Government had already a predetermined proposal on the Budget. They considered the consultation exercise to be just a waste of resources. Regarding the public consultation exercise for the 2011-12 Budget, will the Government inform this Council:

(a) of the total expenditure and a breakdown of expenses for the consultation exercise, and how such figures compared to the corresponding figures of the past two years;

(b) of the number of submissions received, and how such number compared to those numbers in the past two years; how the Financial Secretary's Office handled these submissions; the respective numbers and ratios of submissions from political parties, political groups, chambers of commerce, professional bodies and members of the public; the number of submissions suggesting tax rebate or sharing of the fruits of economic prosperity with the public, etc;

(c) of the number of consultation forums it organised; the target audiences, the numbers of attendees, as well as the venues of these forums; and whether it had to hire any venues and pay any fees (please set out the information in a table);

(d) of the numbers of television publicity videos and radio announcements, their total production cost, their total broadcast frequencies and airtime, as well as the ratios of the airtime of such publicly messages to the annual total free airtime allocated by the electronic media to the Government for its video or audio announcements of public interest;

(e) how many types of printed promotional materials it produced, their production costs (including costs for design of the comics and printing), as well as the copies printed and the quantity of paper used; whether the printed materials have all been handed out, and their distribution channels; and

(f) whether it will adjust or even cancel the public consultation exercise for the Budget of next year in order to avoid wasting of manpower and money?

Reply:

President,

(a) The total expenditure and the breakdown of expenses for the Government's consultation exercises on the 2011-12 Budget and the budgets for the previous two years are set out in Annex 1.

(b) and (c) The Financial Secretary (FS), Secretary for Financial Services and the Treasury (SFST) and government officials concerned have attended a total of 26 consultation sessions in respect of the 2011-12 Budget. For details of the target audience, venue and number of participants, please refer to Annex 2. There is no expenditure on hiring venues for these consultation sessions.

The Government has received a total of 34 submissions from various bodies and members of the community through the above-mentioned consultation sessions. Among them, 19 submissions came from Legislative Councillors or political parties/political bodies to which they belong, five submissions came from chambers of commerce, eight submissions came from professional bodies/think tanks/financial institutions. Among these submissions, five submissions called for tax rebate and four of them came from Legislative Councillors or political parties/political bodies to which they belong.

The FS has also attended four regional consultation forums. Altogether nearly 150 participants spoke at the forums and put forward around 490 pieces of views and proposals. Seven of them put up tax rebate proposals.

In addition, from November 29, 2010 when the FS launched the public consultation to February 22, 2011, we received, through mail, facsimile, email and telephone, a total of over 3,400 submissions from various sectors of the community, institutions, organisations and members of the public, containing over 9,000 pieces of views and proposals on the 2011-12 Budget. Proposals on tax rebate numbered about 100.

Some 6,700 and 2,400 submissions were received during the public consultation exercise for the 2009-10 Budget and the 2010-11 Budget respectively.

When drawing up the Budget, the FS made reference to the views of various sectors, and discussed with various bureaux and officials concerned on how to align the Budget with various policy objectives, satisfy the needs of the community and respond to the demands of various sectors. The SFST has co-ordinated and issued the detailed written responses from the relevant bureaux to the views and suggestions put forward by the Legislative Councillors or the political parties/political groups to which they belong on February 23, 2011.

(d) One TV and one radio announcement of public interest (API) were made for the public consultation exercise for the 2011-12 Budget with a total production cost of about \$400,000. The TV and radio APIs were broadcast on various local television and radio stations from December 12, 2010 to February 6, 2011. Their total broadcast frequencies, total airtime, and the proportion of their airtime to the annual total free airtime allocated by the electronic media to the Government for API are tabulated in Annex 3.

(e) The Government produced two sets of printed materials for the consultation exercise for the 2011-12 Budget. They include the consultation document "The Financial Secretary Invites Your Views" (500 copies each for Chinese and English versions) and a Budget consultation comic book with bookmark (30,000 copies). Their printing and production costs are about \$65,000 and \$390,000 respectively. There are 40 pages and 120 pages, apart from covers, in the consultation document "The Financial Secretary Invites Your Views" and the Budget consultation comic book respectively.

Copies of the consultation document "The Financial Secretary Invites Your Views" were mainly distributed to Legislative Council members, members of the Central Policy Unit, scholars, think tanks, financial institutions, professional bodies and chambers of commerce. For the Budget consultation comic book, copies of it were distributed to participants at consultation forums held for members of the Commission on Strategic Development, chairmen and vice-chairmen of district councils, members of local communities and youth bodies. In addition, we also gave copies to secondary schools as well as made them available to members of the public at public enquiry service centres of various district offices. All such publications in printed form were sent to the distribution points.

(f) The Government extensively consults the public on the Budget through various channels. On the one hand, it is hoped to know better the community needs and public aspirations and work out a budget that meets what our society asks for. On the other hand, it is hoped to arouse public concern over public affairs and to inspire our youth to give thought to budget preparation and management of public finances. As mentioned above, the FS, in preparing the Budget, took into account the valuable views given by various sectors and discussed with various bureaux and officials concerned on how to align the Budget with various policy objectives, satisfy the needs of the community and respond to the demands of various sectors.

The consultation on the Budget and its preparation is an interactive process involving various sectors of the community and the Government. It calls for active participation and rational discussion by the whole community. The Government will listen attentively, balance different factors pragmatically and respectfully, and carefully consider various views to foster a consensus in the community as far as possible and suitably respond to public demands.

As always, the Government will review the consultation exercise for the Budget to identify areas for improvement and sum up experience in an effort to do better in future consultations on the implementation of various policies, including the Budget.

Ends