



扶輪 Tung Feng



VOL. 49 No.29

6th Feb 2002

What Happened Last Week

Today it was totally packed and a great number of press also attended. Was there a scandal?

Oh, no, it was simply that our own PP Tim, an authority on tax matters, would be giving us a talk on the tax system in Hong Kong, a subject dear to our hearts and wallets.

Visiting Rotarians, were:

- (1) PDG Moses Cheng of HKNE;
- (2) Murray McDonnell (our former member form New Zealand);
- (3) Tony Luce of Princeton NJ USA.

PP Tim brought along 3 guests from his firm PriceWaterhouse Coopers. They were Peter Yu, Teresa Lam and Llyana Chan. CY's guest was Mr. Samuel Lum.

President Stephen started the meeting early and Rudy did the introduction of visiting Rotarians and guests.

Tony was the birthday boy and he chose John Yau to lead the singing. It was commented that the choice of lead singer was "unusual" but John's singing was indeed excellent!

Stephen reminded us that the 3rd April would be our Annual Function: "Horse Racing Night at Shatin"! There will be no lunch meeting that day. Our sister clubs will also attend. So members please sign up!

Sergeant-at-arms reported a very satisfactory collection of HK\$2,100.00 this week.

Then came the highlight of the meeting PP Tim's was "The HK Fiscal Dilemma - Is there light at the end of the tunnel?"

The guys sitting at the writer's table tucked into their curries and mumbled "NO".

Well, the figures certainly looked gloomy. The deficit for 2001-2002:

	\$B
Original Estimate	(3)
Latest Estimate	(60)
PWC Estimate	(54)

Under Article 107 Basic Law, the HKSAR should strive to achieve a fiscal balance. The problem being was the current fiscal imbalance cyclical or structural.

In the past the government has relied heavily on land sale proceeds and investment return; neither of which were producing much revenue in this economic climate. Hong Kong had a very narrow tax base and for political reasons it had not been able to pass on some of the costs to users. Furthermore government expenditure could not be brought down significantly in the short term.



THE ROTARY CLUB OF HONG KONG ISLAND EAST

香港東區扶輪社週報

Club 4350

District 3450

Chartered on 6 April, 1954 by Charter President
PDG (Uncle) John Yuen

So what do we have?

- Economic Downturn
- Open Economy (subject to external influences)
- Depressed Property Prices
- Sustained Period of Deflation
- Erosion of Confidence
- Structural Deficit Situation

So what can we or the government do?

Short Term Measures include -

- Minimal adjustments to tax rates
- No significant new tax
- Review users pay principle
- Increase tax audits
- Expenditure control/reduction
- Fiscal reserve application
- Improve business environment/confidence/social stability
- Definitive plan to return to fiscal balance (3-5 years)
- Create employment opportunities
- Relief package for the needy

Medium to long term measures (1) include-

- Broadening of Tax Base
- Enhance Revenue Yield from Current Sources
- Privatisation/sale of Assets
- Innovative Revenue Raising Measures
- Bond Issue
- Export of Services

Medium to long term measures (2) include-

- Cost Containment
- Efficiency Drive
- Small Government
- Outsourcing
- Export of Services

Medium to long term measures (3) include-

- Civic Education/Raise Awareness
- Build Consensus on Way Forward
- Enhance Legco Buy-in
- Enhance HK's Fundamentals
- Define Strategic Direction
- Create Opportunities
- Seek PRC Support

So is there light at the end of the tunnel?

The answer is yes, if Hong Kong people can unite and work out something together.

The writer and no doubt all members would hope that PP Tim and PDG Moses would continue to make their valuable contribution in this respect.

PP Hubert thanked PP Tim for his talk. Hubert commented that conventional wisdom would suggest that the rich paid more tax but in fact they had smart people like PP Tim to help them out on tax saving, and no doubt if the tax base were to be broadened, their services would be further required to deal with these new taxes.

President Stephen then declared the meeting adjourned.



Rotary Information

By PDG Peter Hall

Continuation of Rotary Information, Questions & Answers

Q: I search the RI Web site but cannot find a list of membership classification. Can you send me one?

A: There is none. Each club needs to tailor its list to its own community, for example, by consulting the local business directory to make sure all classifications are represented. Clubs are urged to do a classification survey every year. Occupational codes in the semiannual report may help in creating a classification listing.

Incidentally, classification describes Rotarians' principal business or professional activity or that of their firm, company, or institution (for example, architecture)—not themselves (architect) nor their position in the company (vice-president).

Q: Do members keep their classification until their membership is terminated?

A: Not necessarily. The board may correct or adjust any member's classification, after notifying the member and allowing a hearing on it. If members change their companies or careers, the club may continue their membership under the new classifications.

COUNCIL ENACTMENTS AND DUES.

Q: Did the Council on Legislation approve a fifth Avenue of Service?

A: The enactments regarding a fifth Avenue of Service (youth) were referred to the Board of Directors of Rotary International for further study and for the Board's recommendations to the 2004 Council on Legislation.

Q: Where can I find a list of changes brought about by the 2001 Council?

A: Contact your district governor, Council representative, or Club and District Administration representative for a summary of the changes, which took effect 1 July, 2001. Or request one from the Council Service Department, LS200, at Rotary International, 1560 Sherman Avenue, Evanston, IL 60201 USA. You may also download the information by accessing the Council on Legislation under Administrative Services on the RI Web site (www.rotary.org).

Changes are reflected in the new RI Constitution, RI Bylaws, and the Standard Rotary Club Constitution, contained in the 2001 Manual of Procedure.

Note: While clubs objected to the various proposed enactments, the number of objections was insufficient to overturn any Council action.

Q: How do clubs adopt the revised Standard Rotary Club Constitution and recommended bylaws?

A: Each club's constitution automatically changes as the Standard Rotary Club Constitution is changed (Article II, RI Bylaws). Rejecting it is not an option. However, the club can freely amend the recommended club bylaws, as long as they do not conflict with the constitutional documents of RI (RI Constitution, RI bylaws, and the Standard Rotary Club Constitution—all found in the 2001 Manual of Procedure). Should there be any questions please contact the Club and District Administration representative for your district.

Q: Why are Council on Legislation dues of US\$1 now payable every year?

A: The amount collected every third year no longer covers the costs of the Council, and reserve funds have had to be used to cover the Council expenditures.

From now on, the US\$1 charged to every member every year is to be paid with the July semiannual report and placed in an interest-bearing account in order to pay future costs. Whether new members pay this US\$1 depends on whether they joined before or after your club sends in the July semiannual report.

SPEAKER PROGRAMME

Feb 06	Hong Kong and the Pearl River Delta: Aviation in Transition by Mr. David Dodwell, Executive Director of Golin/Harris Forrest
Feb 13	Chinese New Year Holiday Meeting cancelled
Feb 20	How to literally save your own neck by DR. Tony Lay, RC of HKIE
Feb 27	Audiology: The Hearing Healthcare by Ms Livia Wong, Audiologist, with Widex Hong Kong Hearing & Speech Centre Ltd

LAUGH FOR THE WEEK

An attractive young woman had been taking golf lessons. She had just started playing her first round of golf when she suffered a bee sting. The pain was so intense that she decided to return to the clubhouse. Her golf pro saw her come into the clubhouse and asked, "Why are you back so early?"

"What's wrong?"

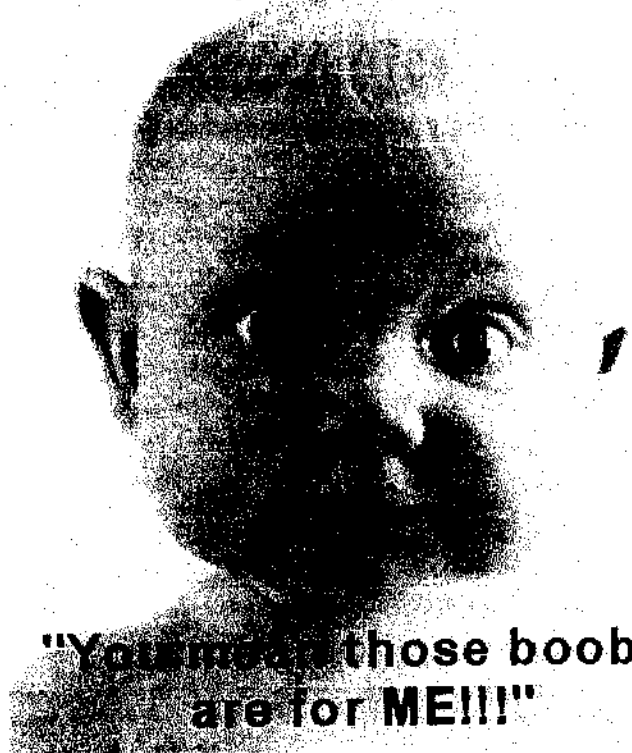
"I was stung by a bee," was her reply.

"Where?" he asked.

"Between the first and second hole."

He nodded knowingly and said, "Then your stance is too wide."

ThatsComedy.com



"You mean those boobs
are for ME!!!"

Subject: Taken literally

Hung Chow: "Hey, boss I not come work today, I really sick. I got headache, stomach ache and my legs hurt, I not come work."

The Boss says "When I feel like this I go to my wife and tell her to give me sex. That makes me feel better and I can go to work. You should try that."

Two hours later Hung Chow calls: "Boss, I do what you say and I feel great, I be at work soon. You got nice house."

YEAR 2001 - 2002

Ex-Officio IPP Tajwar Shadikhan	Vice President Henry Chan	President Elect Chris Howe	President Stephen Liu	Secretary Eddy Wong	Treasurer Clark Lu	Advisor PDG Peter Hall
Directors: PP John Kwok	Rudy Law	Ates Yucel	Malcolm Phillips	Jason Chiu	Sergeant-at-arms Laurence Chan	PP Council Rep PP Hubert Chan

Club postal address: P.O. Box 47064, Morrison Hill Post Office, Hong Kong

Club website: <http://www.rotary.org.hk/hongkong-island-east>

Make-up cards to Club Secretary: Ms Annie Ng

c/-Li, Tang, Chen & Co., 10/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong

Tel : (852) 2827 8663 (ext. 176) Fax : (852) 2827 5086

Bulletin Editor: PP Desmond Cheung Tel : (852) 2230 2233

Fax : (852) 2810 4923

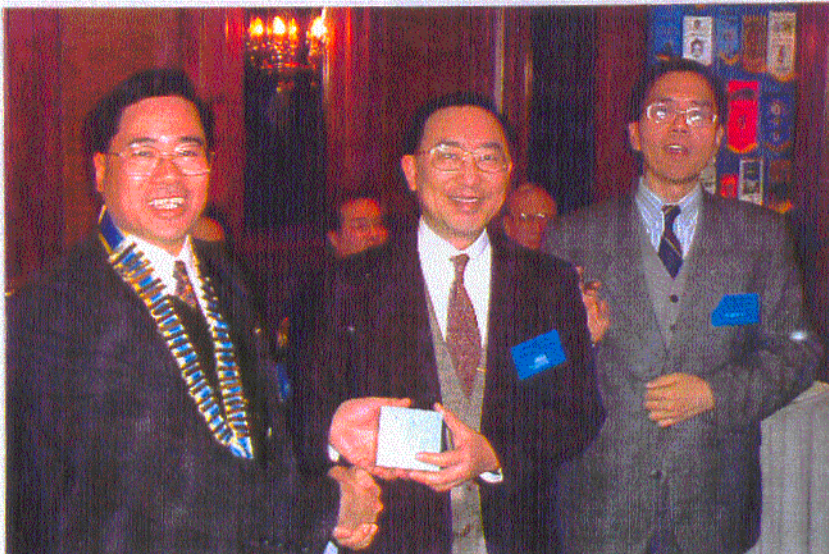
**ROTARY CLUB OF HONG KONG ISLAND EAST MEETS EVERY WEDNESDAY, 12:30 p.m. AT
EXCELSIOR HOTEL, CAUSEWAY BAY**



The speaker for this week was our own PP Tim Lui, speaking on "The Hong Kong Fiscal Dilemma".



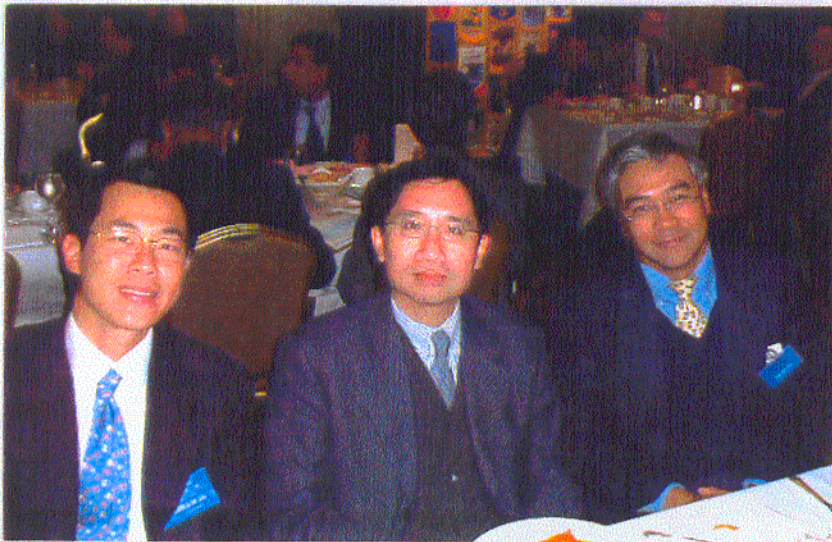
Our head table was graced by PDG Moses Cheng (HKNE) & our ex-member Murray McDonald sitting with our Hon Sec Eddy.



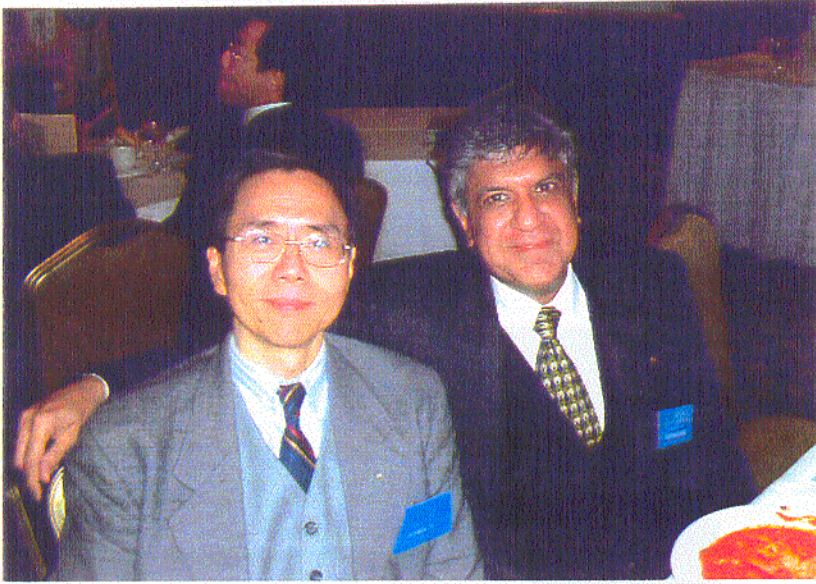
Pres. Stephen congratulates Rtn Tony on his birthday with singer Rtn John V leading the birthday song.



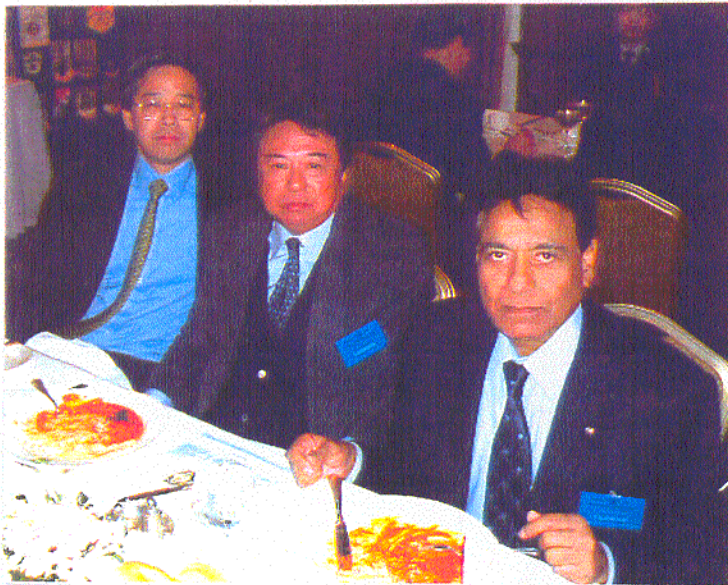
Welcome back to PP Li, sitting next to Rtn Francis & Rtn Tony Luce (Princeton Corridor, N.J., USA).



Rtn Andrew enjoying fellowship with visitor Samuel Lum & Rtn Sam Wong.



PP Ramesh sitting next to Rtn John V enjoying the meeting.



VP Rudy sitting next to PP Andrew & IPP Tajwar during the lunch.



Group photo of our visitors on the 30th January, 2002 meeting.