



To: <taxreform@fstb.gov.hk>  
cc:  
Subject: Dear Srs,

2006/07/18 05:18 PM

☐ Urgent  
☐ Return Receipt

May I congratulate you on your GST consultation document.

This "balanced" consultation has achieved the near impossible and talked about our tax revenue and expenditure without ever describing to the public the effective hypothecation of lease modification payments and the revenue from selling development land into the Capital Works Reserve Fund.

This is a singular achievement in the light of the following statement:, which appears in the third paragraph of the Executive Summary which states, that " This (i.e. the cyclical volatility of income) has greatly constrained the Government's ability to make long-term plans and investment decisions to sustain our growth and development".

The long term funding of investments is not the role of any proposed GST, as long term capital works funding is paid for by the various forms of land revenue, which of itself is not fiscal in nature.

Yours Sincerely,

Stephen Brown