

7 August 2025

**The Honourable John Lee Ka-chiu GBM SBS PDSM PMSM**

**The Chief Executive**

Hong Kong Special Administrative Region

Office of the Chief Executive

Tamar, Hong Kong SAR

**The Australian Chamber of Commerce in Hong Kong  
2025-26 Policy Address Submission**

Hong Kong Unlimited: Innovation, Connection, Opportunity

The Australian Chamber of Commerce in Hong Kong (AustCham) welcomes the opportunity to make the following submission.

Our submission outlines transformative reforms to cement Hong Kong's position as Asia's premier business and lifestyle hub and makes recommendations across seven (7) key areas:


- 1. Enabling a vibrant, world-class outdoor dining scene**
  - Streamline al fresco licensing to boost the F&B industry, build community, encourage local spend and develop HK as a global culinary destination.
  - Create fast-track zones and digital approval systems
  - Boost vibrancy and tourism through world-class harbourfront dining
- 2. Mega-Event Ambition**
  - Champion a Hong Kong-GBA Olympic bid to showcase the innovation, connectivity and opportunity in the GBA
  - Leverage sports diplomacy to attract investment and tourism
- 3. Financial Hub Consolidation**
  - Adopt OECD-compliant tax reforms to maintain competitiveness
  - Expand Wealth Connect with broader product access and streamlined processes
- 4. Talent Ecosystem Transformation**
  - Shift from talent attraction to job creation with competitive incentives
  - Streamline visa processing and professional qualification recognition
  - Enhance English proficiency and inclusive workplace policies
- 5. Construction & Infrastructure Innovation**
  - Accelerate Northern Metropolis development with digital procurement
  - Promote sustainable building through decarbonisation frameworks
  - Repurpose vacant properties for housing and community needs
- 6. Sustainable Future Leadership**
  - Implement progressive decarbonisation roadmaps for buildings and transport
  - Position Hong Kong as Asia's green finance hub through enhanced disclosures
- 7. Innovation Economy Boost**
  - Refine startup value proposition and reduce bureaucratic barriers
  - Align I&T talent policies with global best practices

By implementing these strategic measures, Hong Kong can outpace regional rivals, attract global capital and talent, and reinforce its status as Asia's world city. The proposals balance business needs with quality-of-life enhancements, boosting economic growth and urban

vitality, ensuring Hong Kong remains the preferred destination for investment, innovation and international talent in a globally competitive and geopolitically uncertain landscape.

Several recommendations—especially around outdoor dining, talent, infrastructure, and ESG—stress the need for cross-bureau coordination, clear implementation roadmaps, and consistent monitoring and adaptation. AustCham welcomes the opportunity to work with the Hong Kong Government in the development and roll out of initiatives arising from the 2025 Policy Address.

Yours sincerely



**Josephine Orgill**  
**Chair**

cc:

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## **Submission to the 2025 Chief Executive's Policy Address**

by

### **The Australian Chamber of Commerce in Hong Kong**

Hong Kong's position as a global financial, business and tourism hub hinges on its ability to adapt, innovate and connect. We recognise that the geopolitical situation remains challenging but to maintain Hong Kong's competitive edge and capitalize on emerging opportunities, we propose a series of targeted policy reforms addressing key areas of economic growth, urban development and international positioning. We advocate for regulatory simplification, targeted incentives, and international best practices—spanning licensing, taxation, and startup ecosystems—to reinforce Hong Kong's dynamism and attractiveness.

At the heart of our recommendations is a commitment to sustainable job creation, talent retention, and workforce inclusivity, ensuring long-term economic resilience. From championing a Hong Kong-GBA Olympic bid to streamlining market access for global firms, we emphasise Hong Kong's unique role as a super connector, bridging Mainland China with international opportunities.

Our recommendations balance immediate economic needs with long-term strategic vision, creating a framework for sustainable growth and we propose the following areas for consideration in the upcoming Policy Address:

#### **1. Revitalising Hong Kong's F&B Sector through Al Fresco Dining Licence Reform**

Hong Kong's food, beverage, and hospitality sector continues to face significant challenges, with many businesses experiencing losses or stagnant growth amid intense competition from lower-cost alternatives in the Greater Bay Area and the appeal of overseas spending. To reinvigorate the industry, the sector needs support for innovative approaches to attract customers and stimulate growth.

A key opportunity lies in transforming Hong Kong's outdoor dining landscape. The Chamber strongly recommends comprehensive reform of the outdoor seating licensing system to simplify processes and align with international standards already seen in leading waterfront cities such as Shenzhen, Singapore, and Sydney.

Reforming the current system would incentivise investment in the F&B sector, enhance Hong Kong's appeal to both tourists and residents, activate underutilised harbourfront areas and enhance Hong Kong's status as a world-class dining destination.

Outdoor (al fresco) dining offers multiple benefits – it revitalises streets, supports small business, attracts visitors and fosters community engagement. With its spectacular views and one of the world's most dynamic food and beverage scenes, Hong Kong is uniquely positioned to develop a thriving outdoor dining culture that could significantly increase economic activity and urban vibrancy.

However, this potential remains largely untapped due to cumbersome regulations, lengthy approval processes, and high compliance costs that discourage investment and innovation. By adopting a more streamlined, transparent, and business-friendly licensing framework, Hong

Kong can increase F&B revenue, create new employment opportunities and establish itself as a global leader in urban placemaking.

We recommend:

- A centralised approval platform to consolidate interdepartmental referrals with strictly mandated timelines for departmental feedback
- A revamped digital portal to enable real-time application tracking, document submission and automated alerts for missing information.
- Pilot fast-track zones in prime Harbourfront areas
- Introduction of tiered licenses for e.g. daytime cafes vs evening bars to cater to diverse business models and consumer needs
- Consider investment incentives such as tax breaks for sustainable designs or a period of OSA fee waiver to encourage uptake, particularly for SMEs.

## **2. Mega Event Ambition: Supporting a Hong Kong-GBA 2036 Olympic Bid**

The Chamber strongly supports the 2036 Working Group proposal for Hong Kong and other cities of the Guangdong-Hong Kong-Macao Greater Bay Area to jointly host the 2036 Olympic and Paralympic Games.

This transformative initiative represents a strategic, cost-neutral opportunity to showcase Hong Kong as the international gateway to the GBA's innovation and technology ecosystem, generate substantial tourism, business and investment opportunities, strengthen regional integration through the universal language of sport and create lasting infrastructure and social benefits for all residents.

Building on the successful model of the 2025 National Games, this bid provides a unique opportunity to position the GBA on a global stage as a world-leading destination while amplifying Hong Kong's role as a global super-connector, to fulfill national development goals. An Olympic Games would deliver activation of the mega-event economy across multiple sectors, long-term urban regeneration and world-class facilities, enhanced sports development at both community and elite levels as well as increased job creation and economic diversification. 2036 provides a ten-year lead up during which these benefits would start to manifest, providing a sufficient runway that meets near and longer-term strategic goals.

The 2025 National Games have successfully adopted and laid the groundwork for the multicity model of the Olympic proposal, providing invaluable operational experience for an Olympic bid.

We recommend:

- The HKSAR Government explore the feasibility of hosting the 2036 Olympic and Paralympic Games in Hong Kong and the Greater Bay Area and seek in-principal support from the Central Government to move ahead with this proposal.
- Initiate a consultative dialogue with the Central Government to begin exploratory dialogue with the International Olympic Committee on a non-committal basis.
- Establish a cross-border working group to develop a feasibility study.

### **3. Consolidating Hong Kong Position as an IFC & Global Business Hub**

#### **Tax: Rethinking Global Minimum Tax and Minimum Top-Up Tax Policy**

Hong Kong's position as an international business hub faces a challenge with the implementation of the new 15% global minimum tax rules. Under the new regime, our existing tax incentives - particularly the R&D super deduction - risk becoming counterproductive by potentially reducing multinational enterprises' (MNEs) effective tax rates below 15%, triggering costly top-up payments. This unintended consequence would nullify the very purpose of these incentives: to attract and retain investment.

Many jurisdictions, including Singapore, are adopting Qualifying Refundable Tax Credits (QRTCs) to both align with the OECD's global minimum tax rules and maintain a competitive edge. Without swift action, Hong Kong risks falling behind in the race for global investment and innovation capital.

We recommend:

- Adopt OECD-Compliant QRTCs – transition from traditional deductions to refundable tax credits that preserve the 15% effective tax rate threshold. This maintains the attractiveness of incentives while ensuring full compliance with global rules.
- Implement a strategic QRTC framework (either broad-based or targeted, e.g., innovation-focused)
- Lead with Immediate Reforms: restructure the R&D super deduction as a pilot QRTC-programme.

#### **Enhancing Hong Kong's Position as Asia's Premier Asset Management Hub**

As Asia's premier financial hub, Hong Kong must act swiftly to address key challenges while capitalizing on emerging opportunities. The Wealth Connect scheme can unlock significant growth potential but constraints - including its narrow product range, complex sales processes, and the delayed launch of Wealth Connect 3.0 - are hindering its effectiveness.

Limited investment options fail to meet evolving global investor demand and an improved product range could see initiatives on Wealth Connect align with priorities to see a deeper bench of international issuers being welcomed to Hong Kong, highlighting the deep pools of capital and strong liquidity offered by the Connect Schemes and Hong Kong's place as an international financial centre.

Additionally, restrictive access policies prevent international asset managers from effectively advising Mainland investors and limit securities firms' participation. However, by expanding product choices and simplifying market access, Hong Kong can meet growing investor demand and attract greater capital inflows. Building on the current surge in Mainland listings presents a strategic opportunity to solidify Hong Kong's position as Asia's leading asset management centre. Addressing these challenges through timely reforms will be crucial to maintaining Hong Kong's competitive edge against rival financial hubs in the region.

We recommend:

- Accelerate Wealth Connect 3.0
  - Clarify launch timeline and expand eligible investment products (including international options).
  - Simplify marketing and investor eligibility rules.

- **Broaden Market Access**
  - Allow securities firms to participate directly in Wealth Connect.
  - Extend private funds, credit, and alternative investments to diversify offerings. Diversification is particularly important given shifting dynamics in markets.
- **Attract Global Issuers**
  - Increase strategic outreach to position HKEX as a top global exchange. This is in the interests of the investors but will also build the case for the presence of international asset managers in HK
- **Enhance Cross-Border Connectivity**
  - Strengthen Hong Kong's role as a super-connector by facilitating access to international products for Mainland investors.

#### **4. Talent Ecosystem Transformation**

There have been significant government efforts over the past two years to create more pathways for international talent to come to Hong Kong and support their integration and retention. Great talent follows great jobs, and great talent can only stay in Hong Kong if great jobs are available. We therefore endorse moving towards a longer-term plan for sustainable international talent attraction and retention.

We recommend:

- **Job Creation instead of Talent Attraction:** Shift emphasis from talent attraction to proactive job creation by actively encouraging companies to establish themselves in Hong Kong
  - Step up efforts through the Commerce and Economic Development Bureau, INVESTHK and OASES to provide a package of incentives to match or better Singapore in attracting companies to relocate to Hong Kong or to expand their operations. This also includes supporting and incentivising major events.
  - Fast-track processing and simplify the application systems of support to companies that should be available – for example, technology startups report difficulties/complexities in accessing Government funding due to extensive paperwork and lengthy processes compared to other international locations.
  - Focus on attracting new businesses to Hong Kong to support policy initiatives
    - Retirement care / retirement wealth planning and pensions management to support the Silver Economy
    - International F&B & Venue Administration talent to support events economy and al fresco dining
  - Pivot KPIs (and success measures) from talent arrivals and percentage of talent visas extended, to jobs created, and jobs filled
- **Speed in Talent Processes:** accelerate and optimise Hong Kong's backend talent processes to fully leverage our job creation and attraction efforts.
  - Resource visa processing in line with demand (AustCham members reporting delays of weeks and Immigration advising backlog). Reporting visa processing KPIs will give confidence to employers and candidates.
  - More targeted / streamlined assessment for candidates with regulatory or government agency (non-political) experience (members have reported information requests for candidates / significant difficulties in obtaining visas for candidates with financial regulation experience – this has resulted in international roles moving to Singapore).

- Increase liaison between Government and relevant professional boards (e.g., allied health services) to speed up recognition of talent qualifications and / or professional licensing (AustCham members reporting lengthy timeframes of up to 12 months post arrival for recognition of top talents' Australian qualifications and / or achieve license to practice).
- Consider involving Immigration in the cross-bureau Committee on Education, Technology and Talents to ensure an integrated approach and solutions (end-to-end) for Talent in Hong Kong
- Government to help establish a network of licensed manpower agencies for labour import from ASEAN countries (matching the Mainland manpower agencies) to provide one-stop-shops for small employers to import English speaking labour from South East Asian countries such as the Philippines, Malaysia etc. – it is currently very hard for small to medium-size enterprises to tap into these talent pools by themselves.
- English language: Actively promote English language skills to solidify Hong Kong's role as an International Hub
  - Government forums should always be bi- or tri-lingual.
  - We recommend that both Talent Engage and InvestHK always ensure that there is use of English in their outreach work, including jobs fair materials and ensuring employers at such fairs represent both international and mainland companies
  - Encourage companies to relax requirements for trilingual or bi-lingual capacity and instead seek to diversify their workforce. Many companies are only looking for candidates who are trilingual: we have seen a number of young and mid-career Australians who have entered through the Top Talent Scheme or University Exchange programmes and then find this requirement (which doesn't exist in Singapore) makes it extremely difficult to find jobs. We have also seen companies deprioritising secondments from English speaking places because of the lack of Chinese language skills. This leads to a lack of diversity in the workforce and an erosion of English language skills within companies. This negatively impacts the image of Hong Kong among international jobseekers.
  - Encourage companies to provide internship opportunities for recent international graduates (similar to GBA scheme, Green Internship scheme)
  - More support / more promotion of support for non-local talents to learn Cantonese
- Inclusive Talent: Embrace Inclusive Talent policies ensuring Hong Kong is seen as a great place to live & work
  - Easier process to obtain exceptions on dependency visas for top talents who are in long-term de facto relationships (rather than married) or who have adult-dependent children with disabilities or special needs
  - To support an increase in the birth rate in Hong Kong, align Hong Kong statutory parental (and adoption) leave with international best practice
  - Focus on supporting women (and carers) returning to work following childcare career breaks with a rollout of skills-based training programmes/ retraining services
  - Talent development and training schemes aimed at women and girls in STEM, AI & technology to ensure women are participating in the new industrial economy of Hong Kong
  - Extend caregiver visas under the General Employment Policy to support dependents of talent with disabilities.



- Review use of commercial buildings to incentivise childcare facilities in office areas to support working parents and address under-supply of childcare in Hong Kong.
- Innovation & Technology: Initiatives to attract and cultivate the critically needed Innovation & Technology (I&T) talent pool
  - Develop digital re-skilling agenda to support upskilling of local workforce in priority areas (Data, AI, Tech etc)
  - Effort focused on lifelong learning and skills development to prepare the workforce for the future including providing support for career conversion and return-to-work programmes
  - Introduce flexible and fast-track visas, recognising that Digital talent often works on short-term contract or remotely and needs to be hired and available to start ASAP looking at international examples including:
    - Digital Nomad Visa, enabling remote working (like Destination Thailand Visa)
    - Fast-track Freelance Working Visa for consultants and freelancers working on short term 6-12 months contracts (like Indonesia Working KITAS)
- Supporting a Gender Balanced Workforce
  - In developing blueprints and task forces for government initiatives, strive for gender balance in representation from business and the community.
  - Lead by example for government boards, cross department and cross boundary working groups, task forces and other government led committees by mandating 30% representation of women by 2027 and 50% by 2030. This mirrors international best practise as seen in Australia.
  - To develop Hong Kong as a sporting hub, promote and financially support the development of female athletes and attract and host international female sports competitions.
  - In allocating funding for I&T hub projects and funds, weight criteria to ensure representation and promotion of female led businesses and female focused technologies (e.g. femtech)

## 5. Construction & Infrastructure Innovation

Hong Kong's construction sector faces multiple challenges and opportunities. With major projects such as the Northern Metropolis shaping Hong Kong's future it is important to adopt best practices in efficiency, sustainability and urban renewal. Our proposals aim to transform Hong Kong's built environment by enhancing efficiency, sustainability and investment while addressing pressing urban challenges.

We recommend:

- Modernize Construction & Infrastructure Procurement
  - Streamlined processes through full digitisation, reducing bureaucratic delays.
  - Enhance supplier engagement by establishing transparent feedback mechanisms and standardised procedures.
  - Collaborate with industry stakeholders to identify and resolve systemic bottlenecks
- Repurpose Commercial vacant properties



- incentivise adaptive reuse of underutilised buildings, prioritizing high-demand sectors like student housing.
- Introduce tax breaks or subsidies to encourage retrofitting and conversion.
- Attract private and international investment
  - Develop investor-friendly policies, such as tax incentives and fast-track approvals for major projects
  - Publish a forward-looking project pipeline to boost market confidence and attract capital.
- Adopt Global Best Practices in Decarbonisation
  - Mandate PAS 2080 compliance for all public and large-scale private construction projects.
  - Embed carbon reduction requirements in procurement criteria to drive sustainable practices.
- Implement a Mandatory Sustainability Rating System
  - Introduce a transparent benchmarking framework for buildings to promote green competition.
  - Align with international standards (e.g NABERS, LEED, BEAM Plus) to enhance Hong Kong's global sustainability profile.
- Accelerate Urban Renewal with Smart Retrofitting
  - Establish a tiered assessment system to prioritise high-risk or high-impact buildings
  - Combine regulatory mandates with incentives (eg grants) to spur upgrades
  - Strengthen Owners' Corporation Governance and support
  - Develop sustainable financing models such as public-private partnerships

## 6. Sustainable Future Leadership

Environmental decarbonisation, innovation ecosystems, and modern infrastructure procurement are tied together as essential foundations for a resilient and future-proof Hong Kong. To position Hong Kong as a global leader in sustainability, meeting carbon neutrality by 2050, while maintaining its status as an international financial centre an integrated decarbonisation strategy across key sectors is vital.

We recommend:

- Accelerate clean energy adoption through regional cooperation, including securing stable and dedicated source of non-carbon energy, such as nuclear power from the Daya Bay Nuclear Power Station.
- Establish clear milestones and timelines to ensure progress towards 2035/2050 targets to allow businesses to effectively account for their scope 2 emissions.
- Working towards a zero-emission Transport system.
  - Private road vehicles: maintain tax subsidies for electric vehicles until there is over 60% market penetration and expand charging infrastructure in residential areas.
  - Commercial road vehicles:
    - For goods vehicles: ban new ICE light van sales by 2030
    - For taxis: policy direction for conversion after first phase (~3000 eTaxis) to encourage investment and fast charger deployment.
    - For minibuses: (i) reinstatement of prior subsidies, which are currently on hold; (ii) mandatory use of EV models for a certain percentage of the fleet upon licence renewal for green minibus routes, similar to the Taxi fleet tender

last year; and, (iii) establishment of an inter-department EV-taskforce to facilitate EV charger installation in existing Public Transport Interchanges.

- Marine & Aviation:
  - Implement IMO 2023 GHG strategy through green port incentives for e-vessels; SAF blending mandates and HKIA SAF fuelling infrastructure
- Sustainable finance leadership - Hong Kong has made good progress on Sustainability Disclosures and we recommend building on this further through:
  - Mandate TCFD-aligned disclosures for all listed companies
  - Develop HK-specific ESG reporting standards
  - Require ESG competency for board directors.
- Continue to focus on upskilling ESG talent via
  - A GBA-wide ESG accreditation programme
  - Embedding sustainability in tertiary education curriculum
  - Offering tax incentives for corporate upskilling programmes

## **7. Innovation Economy Boost: Strengthening Hong Kong's I&T Startup Ecosystem**

To cement Hong Kong's position as a leading innovation hub we need to sharpen our competitive edge, remove barriers for entrepreneurs and create an ecosystem where startups can both launch and scale. Hong Kong as all the ingredients to be a world-class startup hub and it's important to leverage these key advantages, ensuring innovation becomes a core driver of Hong Kong's future growth.

We recommend:

- Clarify and Communicate Hong Kong's Value Proposition
  - Refine the definition of "foreign startups" to include Mainland China, ensuring broader inclusivity and attracting more high-potential founders.
  - Improve messaging to address the current lack of understanding about what Hong Kong offers startups. Highlight success stories and tangible benefits.
  - Articulate a clear, compelling pitch for Hong Kong, detailing:
    - Unique advantages (e.g. gateway to China, financial hub, IP protection).
    - Available support systems (funding, access to GBA, infrastructure).
    - Pathways for scaling and accelerating growth in Hong Kong.
- Streamline Administrative Processes
  - Reduce bureaucratic burdens (e.g. excessive paperwork, complex navigation) that deter potential participants.
  - Simplify systems to make it easier for entrepreneurs to establish and operate in Science Park or Cyberport.
- Enhance Targeting and Relevance
  - Tailor outreach efforts to attract startups with solutions aligned with Hong Kong's needs (e.g. fintech, biotech, smart city tech).
  - Provide clearer guidance on what types of pitches or innovations Hong Kong seeks, ensuring applicants understand local opportunities.
- Leverage Global Best Practices
  - Study successful models like Hyderabad's T-Hub or other global innovation centres to adopt proven strategies for ecosystem growth.
  - Facilitate smoother onboarding for foreign founders (e.g., relocation support, networking opportunities) to drive long-term retention and job creation.

- Execute Strategically for Long-Term Impact
  - Align policy and implementation to ensure Hong Kong's offerings match its potential as a startup hub.
  - Monitor and adapt based on feedback to continuously improve the ecosystem.
  - Measuring Success should go beyond the raw number of start-ups entering Hong Kong. It should also measure their growth and contribution to the local economy.