

The 2005 Policy Address
Policy Agenda

Introduction

This booklet describes the policy agenda of the Second Term Government of the Hong Kong Special Administrative Region (HKSAR) for the period from January 2005 to June 2007.

It contains policy initiatives designed under the five guiding principles of *Effective Governance*, *Vibrant Economy*, *Caring and Just Society*, *Enlightened People with a Rich Culture*, and *Environmentally Responsible Development* to take Hong Kong forward. They envision Hong Kong as one of the most important cities in China and a world city of Asia. They will build on its strengths and capitalise on its strategic location in the Pearl River Delta region and the opportunities brought by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA).

In this vision, Hong Kong will continue to develop and strengthen its role as a world-class financial and trade centre providing high-value-added services. The city has played, and will continue to play, an irreplaceable role in China's economic modernisation; it will strengthen its role as a bridge between China and the world and continue to benefit from China's phenomenal economic success.

The character of a city is defined by its people. These policy initiatives envisage a city of well-educated, healthy, and increasingly affluent people enjoying a good quality of life, committed to their civic responsibilities, proud of their identity, and global in their outlook.

They conceive of a caring, just and inclusive society. They reckon that Hong Kong is rising to the challenges of its economic integration with the Mainland, its transformation from an industrial to a knowledge-based economy, and its sustainable and balanced development.

The second-term HKSAR Government will continue to focus on the immediate goals of reviving the economy, restoring fiscal balance, and promoting effective governance.

We have thrived on and are determined to maintain the rule of law, particularly in the pursuit of government initiatives. We are committed to maintaining a small but responsive and responsible government and will continue to take forward our constitutional development in accordance with the relevant provisions of the Basic Law.

In realising the initiatives set out in the agenda, the HKSAR Government will count on the support of every citizen and will work in close partnership with the community.

The list is neither exhaustive nor final. It sets out the core programme of activities to be pursued in the next two and a half years. The policy initiatives will be refined from time to time in the light of changing circumstances, particularly the Government's priorities and financial position. Directors of Bureaux will separately account for the progress in implementing the policy initiatives published in last year's Policy Agenda booklet, including items which have been completed or dropped owing to changing priorities, through the Legislative Council. As for the new initiatives unveiled in this booklet, members of the public will be involved through consultation or participation in appropriate cases. The implementation of initiatives requiring additional funding will be, of course, subject to the approval of the Legislature, where appropriate.

We are always conscious that governments cannot be all things to all people. No honest government can ever claim to solve all life's problems in a single stroke. We are well aware that it is not the total number of initiatives that counts but the number that can be brought successfully to fruition.

The initiatives covered in this booklet are the ones we consider to be in line with our strategic goals, practical, and to the greatest benefit of Hong Kong.

Effective Governance

Preamble

We will work to provide a sound foundation through effective governance to maintain and further develop Hong Kong's position as a world city of Asia. We are determined to maintain the rule of law in Hong Kong and will continue to take forward our constitutional development in accordance with the Basic Law. We will restore our fiscal balance to foster an environment conducive to continued economic growth and success. We are committed to maintaining a small but responsive and accountable government, and a permanent, meritocratic, professional, politically neutral and clean civil service.

New Initiatives

We will:

- Implement the next wave of e-government programme, with the new vision to use information technology to provide customer-centric services that promote an accessible, accountable and efficient government and contribute to Hong Kong's achievement as a leading digital city.
- Develop a Works Project Information Standard to facilitate the electronic exchange of public works project data and the reliability of electronic communications among stakeholders.
- Fund higher education institutions to undertake public policy research, through earmarked grants to be administered by the Research Grants Council.

Ongoing Initiatives

We are:

- Continuing with the development of an improved civil service pay adjustment mechanism in 2005-06 so that it will meet our established policy to maintain a clean, stable and efficient civil service and will also be considered as fair and reasonable by the community. The exercise will include the conduct of a pay level survey, review of the annual pay trend survey and developing a better mechanism to facilitate both upward and downward pay adjustments in future. We have just completed an extensive consultation on the methodology of the proposed pay level survey and the application of the survey results. We shall proceed with the survey field work in early 2005.
- Going to consult staff on the proposals on the review of civil service allowances after the Court of Final Appeal has delivered judgment on the appeal in respect of the Public Officers Pay Adjustment Ordinance. We seek to ensure that the continued payment of allowances is fully justified and compatible with present day circumstances.
- Facilitating the maintenance of a lean and efficient civil service and reduction of the civil service establishment to about 160 000 by 2006-07 by providing the necessary staff management tools to assist bureaux and departments to achieve staff savings.
- Continuing to provide civil servants with training and development opportunities. New elements will be introduced into our senior executive development programmes. More national studies programmes will be rolled out. We shall also continue to enhance the variety and content of the training materials on our e-learning portal, and promote wider use of e-learning, as part of our endeavours to fortify a culture of continuous learning in the civil service. We shall

encourage staff at all levels to pursue learning through an expanded sponsorship scheme.

- Continuing to maintain and enhance the morale of the civil service through wider consultation between management and staff at all levels, and encourage fuller use of the commendation system to recognise and motivate exemplary performance.
- Reinforcing actions taken to manage staff who do not measure up, through enhancing the deterrence of our disciplinary system against misconduct and further streamlining the procedures for removing under-performers, whilst sustaining efforts to further improve efficiency and productivity in the civil service.
- Reviewing the policy on the post-retirement employment of civil servants to ensure that the policy will continue to contribute to public confidence in the integrity and impartiality of the civil service. We aim to draw up proposals in March 2005.
- Making suitable preparations for the review on the roles, functions and composition of District Councils, taking into account the experience of the operation of the second term District Councils. We will consult the public in the review process.
- Reviewing the issues involved in the existing system of advisory and statutory bodies, and exploring practical ways to streamline its structure and enhance its functions.
- Reviewing the arrangements for rural elections in the light of experience gained in 2003.
- Implementing the existing gambling policy and regulating authorised gambling activities conducted by licensed operators.
- Working closely with the Football Betting and Lotteries Commission to ensure proper regulation of authorised football betting and lotteries.

- Continuing discussions with the Mainland and other jurisdictions on bilateral co-operation in criminal matters relating to Mutual Legal Assistance, Surrender of Fugitive Offenders, and Transfer of Sentenced Persons, and in reciprocal enforcement of judgments in civil matters.
- Continuing to take forward constitutional development after 2007 and collating views from the community on how the methods for the selection of the Chief Executive in 2007 and for forming the Legislative Council in 2008 may be changed in accordance with the Basic Law and the Decision of the Standing Committee of the National People's Congress of 26 April 2004. The Constitutional Development Task Force will continue to consult the public and hopes that around mid-2005 a consensus will emerge from among the community to enable legislative work to proceed thereafter.
- Continuing to facilitate the implementation of 'One Country, Two Systems' and to demonstrate its success; and to facilitate the promotion of public awareness and understanding of the Basic Law.
- Participating actively in Pan-Pearl River Delta (PPRD) regional co-operation to implement the PPRD Regional Co-operation Framework Agreement signed in June 2004 with the governments of the various provinces and regions in the PPRD region.
- Examining the feasibility of adopting Public-Private-Partnership for the in-situ reprovisioning of the Sha Tin Water Treatment Works and related services.
- Enhancing the efficiency and service quality of the Electrical and Mechanical Services Trading Fund by using its investment in information technology, installing an Enterprise Resource Planning corporate computer system, and setting up e-portals for major clients.
- Targetting the Architectural Services Department to achieve the overall outsourcing to 68% for the delivery of new projects in the coming year under its re-engineering programme.

- Monitoring the performance of the new Customer Care and Billing System for over 2.6 million customers of the Water Supplies Department in improving operational efficiency and customer service.
- Achieving effective communication with the general public and the media by publicising on the web-site of the Water Supplies Department updated information on the Water Mains Replacement and Rehabilitation projects.
- Continuing our efforts to restore fiscal balance, bring public expenditure down to 20% of GDP or below, and reduce Government's operating expenditure to \$200 billion by 2008-09, reviewing our tax base and continuing to implement the asset sale and securitisation programme.
- Taking active steps to introduce a new type of passport featuring biometric capability in 2006-07 to tie in with the first tide of applications for renewal of HKSAR passport valid for 10 years from July 1997.
- Taking steps to implement a pilot facial recognition system at control points to facilitate the verification of identity of suspect arrivals upon their entry.
- Putting into effect, through legislation and other means, the revised Forty Recommendations of the Financial Action Task Force on Money Laundering to further enhance our anti-money laundering and counter-terrorist financing regime.
- Introducing legislative amendments to enhance the capacity of law enforcement agencies to combat terrorism and transnational organised crimes.
- Continuing to seek long-term solutions to address the problems of overcrowding and outdated facilities in our penal institutions.

- Issuing the Smart ID Card in phases starting from mid-2003 to enhance security, facilitate boundary crossing, and provide other valued-added services.
- Providing a legal basis for the existing police complaints system by making the Independent Police Complaints Council a statutory body.
- Continuing to work on the implementation of Article 23 of the Basic Law.
- Promoting understanding of the rule of law in and outside Hong Kong and considering reforms to improve the legal system.
- Promoting transparency in the area of public prosecutions and implementing practical steps to avoid miscarriages of justice.
- Liaising with our justice partners to enhance the quality of criminal justice and taking of measures to secure a better deal for victims of crime and witnesses.
- Continuing the Bilingual Law Information System to provide easy access to our bilingual laws of Hong Kong and improving the standard of government lawyers in respect of bilingualism in law.

Vibrant Economy

Preamble

The Government will play a limited but proactive role in the economy, focusing on maintaining a market-oriented and business-friendly environment. We will aim to attract and develop talents and to boost Hong Kong's role in the Pearl River Delta. We will promote sectors that generate higher value for our economy, including financial, logistics, professional, producer services; and tourism and local community economy which provide more job opportunities for the people. While doing this, we will maintain our traditional institutional strengths including the rule of law, a level playing field, clean and efficient government, free flow of information, low and simple taxes and good order.

New Initiatives

We will:

- Finalise the Concept Plan for Lantau to provide fresh impetus for Hong Kong economic development and maintain a balance in conservation of the environment. The public will be actively engaged during the process.
- Step up promotional efforts to attract Mainland enterprises to invest in Hong Kong.
- Plan and promote actively the International Telecommunication Union (ITU) TELECOM WORLD 2006 and host a successful event in December 2006.
- Review and develop a comprehensive radio frequency spectrum policy for telecommunications purposes.
- Review the applicability of existing regulatory regime to Internet telephony services.
- Facilitate fixed telecommunications carriers to deploy broadband fixed wireless access technologies to expand the coverage of their customer access networks.
- Consider adopting appropriate measures to contain the problem of unsolicited electronic messages.
- Provide end-to-end infrastructure, resource and service support to the digital entertainment industry through collaboration with the industry support organisations, the academia and the Digital Media Centre at the Cyberport.

- Take forward the new strategic framework for innovation and technology development (including the identification of technology focus areas and setting up research and development (R&D) centres to drive applied R&D efforts) in the light of the feedback received during the public consultation exercise.
- Implement the DesignSmart Initiative to promote wider use of design and innovation in industries to help them move up the value chain.
- Update the Port Cargo Forecast to work out the optimal timing for the construction of Container Terminal 10.
- Conduct an ecology study on Northwest Lantau to assess the environmental suitability of this location for development of Container Terminal 10.
- Commission a detailed feasibility study in the first half of 2005 on the Lantau Logistics Park project to fulfil the statutory requirements for the subsequent zoning and reclamation of the site for the Park.
- Co-ordinate Government's efforts to help ensure smooth opening of various major tourism infrastructure projects, including the Hong Kong Disneyland, Hong Kong Wetland Park and the Tung Chung Cable Car System.
- Launch a work trial scheme for 2 000 unemployed persons having special difficulty in finding jobs.
- Implement a work orientation and placement scheme to help place 1 000 people with disabilities into employment.
- Extend some of the temporary jobs in the public sector to meet operational needs.
- Release relevant private housing supply statistics on a regular basis.

- Implement improvement measures to better coordinate the change in non-franchised bus services with demand and to enhance regulation of their operation.
- Establish a Construction Industry Council as an umbrella organisation with self-regulatory powers to pursue continuous quality improvements and to take ownership of a reform programme mapped out by the Construction Industry Review Committee.
- Prepare for implementation of the New Basel Capital Accord (commonly known as Basel II) to enhance the risk management capability and stability of the banking sector.
- Further promote Hong Kong's asset management industry, capitalising on the growing opportunities in the Mainland.
- Explore with Hong Kong legal profession, and discuss and conclude with Mainland authorities, on further market access opportunities for legal services under CEPA III.

Ongoing Initiatives

We are:

- Working with the World Trade Organisation to ensure the successful hosting of the Sixth Ministerial Conference in Hong Kong in December 2005.
- Continuing to work closely with the Mainland authorities at the central, provincial and municipal levels to ensure the smooth and effective implementation of CEPA; promoting greater understanding of the opportunities under CEPA and making use of the standing consultation mechanism of CEPA to seek to discuss with the Mainland authorities on further trade liberalisation and additional market access opportunities for Hong Kong goods and services.
- Together with the Pearl River Delta municipalities, attracting more overseas enterprises to invest in Hong Kong.
- Developing a new exhibition centre at Chek Lap Kok jointly with the Airport Authority and a private sector consortium.
- Pursuing a review of the scope of criminal liability for end-user piracy and a number of other provisions in the Copyright Ordinance to further improve the copyright protection regime in Hong Kong.
- Pursuing a series of measures to facilitate the movement of people and goods across the boundary including the establishment of a new boundary control point on the Hong Kong - Shenzhen Western Corridor and installation of automated passenger, vehicle and cargo clearance systems.
- Continuing to provide assistance to small and medium enterprises (SMEs) through the SME funding schemes.

- Implementing the framework for the migration from analog to digital terrestrial television broadcasting with a view to commencing digital terrestrial television broadcasting by 2007 and achieving within 2008 digital coverage for 75% of the area of Hong Kong.
- Reviewing the broadcasting regulatory regime in view of technological and market convergence. We will consult the public on the outcome of the review, including the proposal for merging the Broadcasting Authority and the Telecommunications Authority into a unified regulator, in 2005.
- Continuing to support the film industry through a variety of measures.
- Pursuing the programmes and initiatives set out in the 2004 Digital 21 Strategy to harness the benefits of information technology for the business and the community and to strengthen Hong Kong's position as a leading digital city in the world.
- Promoting Cyberport aggressively overseas and in the Mainland as the regional hub for development of IT applications and creation of multimedia content.
- Enhancing cooperation with the Ministry of Science and Technology to promote and facilitate applied research and development and innovation development under the newly-established Mainland-Hong Kong Science and Technology Cooperation Committee.
- Continuing to work closely with the Guangdong Provincial Department of Science and Technology under the Expert Group on Cooperation in Innovation and Technology of the Hong Kong-Guangdong Cooperation Joint Conference to promote research and development collaborations between research institutions and enterprises in the Greater PRD region.
- Preparing a Bill to provide the legal instrument for the partial privatisation of the Airport Authority.

- Implementing the measures recommended by the Hong Kong Port - Master Plan 2020 Study to enhance the competitiveness of the Hong Kong Port.
- In the context of cross-boundary logistics cooperation, discussing with the Guangdong authorities measures to reduce cross-boundary trucking cost to enhance freight flow and improve logistics efficiency between the two sides.
- Taking steps to develop new cruise terminal facilities. We will invite private sector proposals for the development.
- Proceeding to consult the public, in two stages, on options for future development of the electricity market after the expiry of the current Scheme of Control Agreements in 2008.
- Analysing Expressions of Interest received from the industry on the operational characteristics and planning parameters of the Lantau Logistics Park project, to ensure that the Park will meet the practical needs of the industry.
- In accordance with the provisions on service parameters, service levels, pricing model and implementation programme in the Operating Agreement, monitoring the development of the Digital Trade and Transportation Network System to ensure its launch in 2005 as scheduled.
- Assisting the Airport Authority to expand intermodal connections such as transit passenger ferry service between the Hong Kong International Airport and the Pearl River Delta region.
- Monitoring the implementation of the Tung Chung Cable Car Project and heritage tourism project at the site of the former Marine Police Headquarters in Tsim Sha Tsui for completion by 2006 and 2008 respectively.

- Strengthening tripartite cooperation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues.
- Continuing with the Special Incentive Allowance Scheme for Local Domestic Helpers to address the mismatch of supply and demand of the local domestic helper market.
- Continuing with the Re-employment Training Programme to help place middle-aged unemployed into jobs.
- Continuing with the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme to provide young people aged 15 to 24 with training and employment opportunities.
- Providing a platform for the sports sector to engage business partners in organising international sports events.
- Further facilitating the development of creative industries, pursuant to consultation with local creative industries and organisation of various activities to arouse public interest.
- Organising various types of local community economy projects in collaboration with District Councils and local bodies.
- Refining the Land Titles Ordinance. We will introduce the relevant regulations to prepare for the effective implementation of the new title registration system.
- Continuing to co-ordinate the timetable for the disposal of railway-property developments to ensure that there would not be adverse impact on the property market.
- Exploring various options for disposal of the Housing Authority's surplus Home Ownership Scheme blocks.
- Monitoring housing supply and compiling comprehensive housing supply statistics.

- Pursuing the Hong Kong – Zhuhai – Macao Bridge as a priority project.
- Discussing with the Mainland authorities concerned the best way to proceed with the proposed express rail link connecting Hong Kong, Shenzhen and Guangzhou upon finalisation of the relevant feasibility study.
- Continuing discussions with the MTR Corporation Limited and the Kowloon-Canton Railway Corporation on a possible merger.
- Continuing to actively pursue the planning of various proposed railway projects giving careful consideration to changing community needs. The work includes planning the Shatin to Central Link and Northern Link, and assessing the viability of the West Hong Kong Island Line and the South Hong Kong Island Line.
- Continuing the preparatory work for the construction of the Kowloon Southern Link, and to monitor the progress of the Disneyland Resort Line and the Lok Ma Chau Spur Line for timely commissioning in 2005 and 2007 respectively.
- Continuing to monitor the construction of the Hong Kong-Shenzhen Western Corridor and Deep Bay Link for timely completion by end-2005 and subsequent commissioning.
- Reviewing the existing cross-boundary vehicle quota system with a view to further facilitating vehicular movement across the boundary, in anticipation of the commissioning of the Hong Kong-Shenzhen Western Corridor.
- Continuing to monitor the construction of the new bridge at the Sha Tau Kok crossing for timely completion in early 2005 to increase capacity and improve traffic flow.
- Continuing to consider measures to regulate traffic including fiscal and traffic management means with a view to reducing congestion along major transport corridors and to consult the community on the proposals.

- Making preparations for launching the Construction Workers Registration System.
- Re-engineering the methodology for planning and implementing infrastructural projects with a view to deriving better efficiency and cost-effectiveness by various means, including the wider adoption of a partnering approach, alternative dispute resolution mechanisms, alternative designs and procurement methods, as well as systematic risk management techniques.
- Continuing our efforts to promote the quality of our financial markets through enhancing the regulatory regime and fostering good corporate governance practices. A Securities and Futures (Amendment) Bill is being prepared to give statutory backing to important listing requirements.
- Continuing our work to ensure the smooth operation of personal renminbi business in Hong Kong, and to explore how the business scope can be expanded with due regard to the pace of financial reform and liberalisation in the Mainland.
- Continuing our efforts in promoting bond market and fund business development.
- Continuing our work to implement the Deposit Protection Scheme.
- Working on legislative amendments for establishing the Independent Investigation Board and the Financial Reporting Review Panel so as to enhance oversight of auditors and quality of financial reporting.
- Actively encouraging departments to cut red tape, remove outdated or unnecessary regulations to facilitate business development and job creation. We have established in January 2004 the Economic and Employment Council (EEC) comprising LegCo Members, representatives from the academic, business and labour sectors, and concerned directors of bureaux to provide a comprehensive forum for

discussion of important issues relating to economic development and employment, to foster consensus in the community at large and create synergy in identifying solutions to our challenges in these areas.

- Taking steps to facilitate private sector participation in the solemnisation of marriages and to provide greater flexibility and convenience to members of the public.
- Stepping up enforcement action and publicity to combat illegal employment.
- Overseeing socio-legal research being conducted by consultants into the supply of, and demand for, legal services in the community.
- Facilitating further discussions with Mainland authorities on legal co-operation; implementing legal co-operation agreements with individual Mainland Justice Department or Justice Bureau; enhancing exchanges between Hong Kong legal profession and the Mainland counterparts; and promoting greater understanding of business opportunities among Hong Kong lawyers in business opportunities in the Mainland.
- Contributing to the development of a legal services information website.
- Assisting in the development of Hong Kong as a regional centre for legal services and dispute resolution.
- Stepping up enforcement action against wage offences.

Caring and Just Society

Preamble

Our vision for a Caring and Just Society celebrates the rich diversity of our community, recognising that each individual is endowed with different strengths. We aim to create an environment in which all people get every opportunity to develop their potential. Warm, supportive and stable families are what count most in nurturing the healthy development of individuals. We will strengthen family solidarity and foster mutual care and support in the community, so that all individuals are embedded in a network of care, trust, support and reciprocity. We will introduce health, social and housing policies and initiatives that enable individuals to enhance their community involvement. We will also ensure that there is a safety net so that those in need will also participate in economic and social life with dignity and self-reliance.

New Initiatives

We will:

- Introduce a Bill to extend the prohibition of racial discrimination to the private sector.
- Conduct a comprehensive review of the Quarantine and Prevention of Disease Ordinance (Chapter 141) and its subsidiary legislation to ensure that the legal framework for the prevention of infectious diseases is up-to-date and is capable of supporting our strategy and mechanism in the control of infectious diseases.
- Further enhance our infectious disease emergency response system by strengthening the work of the Centre for Health Protection and building up our surge capacity in dealing with infectious diseases.
- Explore the feasibility of developing a small to medium sized slaughtering plant for chickens to reduce the risk of human infection of avian influenza.
- Review strategies on health care services development and health care financing options in consultation with the revamped Health and Medical Development Advisory Committee.
- Introduce legislation to ban smoking in indoor work places and other public places to safeguard public health.
- Establish a statutory Specialist Register for dentists, to provide the registration of dental specialists with legal backing, and to facilitate development of specialist practice in dentistry profession.
- Explore the need to introduce a mandatory food recall framework in Hong Kong.

- Regulate restricted dining places to safeguard public health.
- Launch an accreditation scheme for seawater suppliers and introduce legislation to prohibit the abstraction of seawater from specified areas along the coast for keeping live seafood with a view to enhancing the quality of fish tank water for protection of public health.
- Introduce legislation to promote sustainable development of the fishing industry and to conserve fisheries resources in Hong Kong waters.
- Launch the \$200 million Partnership Fund for the Disadvantaged to promote the development of partnership between the business community, the welfare sector and the Government in helping the disadvantaged.
- Review the Comprehensive Social Security Assistance (CSSA) Scheme with a view to strengthening the assistance to able-bodied CSSA recipients to move into work. The review includes evaluating the intensive employment assistance projects introduced since October 2003 to help CSSA recipients and the “near-CSSA” unemployed move into work, reviewing CSSA arrangements and related services for single parents, and reviewing the provision of disregarded earnings.
- Provide a continuum of preventive, supportive and counseling services for needy families through the newly transformed Integrated Family Service Centres.
- Strengthen district welfare planning and coordination, including development of a protocol for the district welfare planning mechanism, review of the District Coordinating Committee mechanism and setting up of District Liaison Groups for handling domestic violence.
- Strengthen services and staff training relating to the handling of family crises and violence, and suicide; and review the Domestic Violence Ordinance.

- Provide more residential care placements for vulnerable children and youth coming from problem families to meet the demand for such services.
- Strengthen psychological support for children and youth suffering abuse and other problems, and enhance support for youth at risk and young offenders.
- Increase provision for District Social Welfare Officers to address the developmental needs of children and youth in the districts.
- Increase provision for additional fee-waiving places of After School Care Programme to facilitate members of low income families to work. Also, in collaboration with schools, to provide school-based after school learning and other support services for needy students.
- Strengthen the community support service for people with disabilities and their families to improve quality of life and to realise social inclusion.
- Strengthen the assistance to young people with disabilities: provide vocational rehabilitation to those with employment difficulties; provide specialised support service to those with early sign of mental health problem.
- Strengthen the rebus services through addition of new buses and rationalisation of service.
- Examine ways to improve accessibility of public transport to the disabled.
- Provide a monthly supplement of \$100 for those CSSA standard rate recipients who are not living in institutions but are 100% disabled or require constant attendance.
- Convert subvented residential places into long-term care places for frail elders to meet the growing care needs of elders.

- Relax the eligibility requirements under the Portable Comprehensive Social Security Assistance (PCSSA) Scheme by providing needy elders who have received CSSA for not less than one year (currently not less than three years) the option to retire in Guangdong or Fujian Province.
- Relax the permissible limit of absence from Hong Kong under the Social Security Allowance (including Old Age Allowance and Disability Allowance) Scheme from 180 days to 240 days a year to allow the recipients to spend more time with their relatives and friends outside Hong Kong.

Ongoing Initiatives

We are:

- Conducting specific studies to address various issues arising from the 2004-2033 population projections that impact on Population Policy, with a view to consulting the public and publishing a review report in 2005-06.
- Enhancing our network at district level, which has proved invaluable in combating SARS and implementing Team Clean initiatives.
- Providing continual researches, preventive education, remedial counselling and treatment services for addressing gambling-related problems.
- Implementing the improvement measures for the Pre-Sale Consent Scheme, following completion of a review.
- Working on measures to speed up the processing of application for small houses.
- Reviewing the mechanism for the determination of domestic rents for public housing.
- Maintaining supply of public rental housing for needy applicants with an average waiting time of around three years.
- Discussing with the franchised bus companies to develop a more objective and transparent process for fare adjustment.
- Developing a multi-pronged strategy to minimise the risk of avian influenza outbreaks.

- Improving overall food safety and control on agricultural and fisheries operations that have an impact on public health or the environment.
- Regulating and developing Chinese medicine and introducing Chinese medicine into the public health care system.
- Protecting the public from undesirable health claims through amendments to the Undesirable Medical Advertisements Ordinance.
- Safeguarding the health and safety of the public by developing a regulatory framework on the supply and use of medical devices.
- Enhancing primary medical care for the public to reduce reliance on hospital care through developing a pluralistic primary care mode and strengthening the community mode of health care delivery.
- Working out a sustainable long-term funding arrangement for the Hospital Authority to ensure the provision of quality public health care services.
- Reviewing the regulatory framework for animals, birds and fish for the purpose of enhancing public health and food safety.
- Evaluating the implementation of the concept of ‘from feed to table’ to ensure food safety.
- Operating the \$300 million Community Investment and Inclusion Fund to encourage mutual concern and aid, and encourage community participation.
- Implementing an effective and sustainable safety net, particularly through the Comprehensive Social Security Assistance Scheme, to assist the financially vulnerable.
- Overseeing the operation of the Trust Fund for SARS.
- Preparing the subsidiary legislation and the administrative procedures on child adoption under the amended Adoption Ordinance.

- Continuing to improve IT and communication support for people with severe disabilities.
- Creating an enabling environment to develop women's full potential and to build up their capability to face life's challenges and participate fully in all aspects of community life.
- Continuing the three-year Capacity Building Mileage Programme to encourage and facilitate women to pursue continuous learning.
- Continuing to gradually introduce the use of the Gender Mainstreaming Checklist in different policy areas, such that the gender perspective is taken into account in formulating and implementing our policies.
- Continuing to enhance the participation of women in the work of government advisory and statutory bodies.
- Developing a Fee Assistance Scheme for residential care of frail elders to allow them more choices and flexibility in using residential care services.
- Promoting active and healthy ageing.
- Conducting studies with a view to developing a sustainable financial support system that better targets resources at elders most in need.

Enlightened People with a Rich Culture

Preamble

The Government will enrich Hong Kong's quality of life through a variety of policies and programmes, among which education ranks the highest. As Asia's world city, we will create an environment which fosters innovative thinking, mutual respect and team spirit, and we hope citizens can cultivate their artistic interests and personal tastes for their spiritual enhancement and cultural enrichment. We expect our society to be one which encourages self-initiative, entrepreneurship and aspirations, while valuing creativity and diversity.

New Initiatives

We will:

- Work on a detailed proposal to allow the entry of more non-local students into Hong Kong for education.
- Provide additional resources initially for three years starting from the 2005-06 school year to public sector primary schools with 12 or more classes to improve the teacher-to-class ratio with a view to reducing teachers' workload and implementing specialised teaching.
- Introduce the school-based professional support programmes to provide targeted support at the school level to empower frontline educators in capacity building and to take forward education initiatives in a strategic manner.

Ongoing Initiatives

We are:

- Proceeding with the heritage tourism project at the Central Police Station, Victoria Prison and the former Central Magistracy. We are arranging for the invitation of tender.
- Establishing a Sports Commission and reconstituting the Hong Kong Sports Institute, with a view to pursuing the new vision for sports development in Hong Kong.
- Launching a public consultation exercise to seek the views of the public on the policy of heritage conservation in Hong Kong and review the policy in the light of the views received.
- Continuing with our planning and consultation on the implementation of two Private Sector Finance projects on leisure and cultural facilities in Kwun Tong and Tseung Kwan O respectively.
- Planning the development of a stadium complex and a home base for elite training in South East Kowloon.
- Preparing for the organization of the 5th East Asian Games to be held in 2009. The 5th East Asian Games Planning Committee with wide representation has been established in June 2004. Members of the Planning Committee comprise representatives from sports, business, tourism, banking sectors and related Government departments.
- Considering the best option to strengthen tertiary visual arts training in Hong Kong.
- Developing a cultural, arts and sports network in the Pearl River Delta.

- Facilitating the promotion of major arts and cultural events and festivals in Hong Kong, highlighting our status as an international city.
- Improving the governance and operation of cultural services in Hong Kong, including libraries, museums and performance facilities; and encouraging stronger involvement of the cultural sector and the community in the process.
- Continuing consultation on measures to provide temporary protection to the most meritorious historical buildings, and to assess the heritage value of selected historical buildings.
- Enhancing the work on the promotion of youth development in conjunction with the Commission on Youth, particularly on civic and social participation of young people.
- Providing young people with appropriate non-formal education and training through supporting the activities of youth uniformed groups.
- Enhancing the work on the promotion of civic education outside schools in conjunction with the Committee on Promotion of Civic Education, particularly on promotion of national education among the general public.
- Continuing our work on the promotion of racial harmony.
- Formulating a comprehensive development package for the integrated arts, cultural and entertainment district in West Kowloon.
- Studying the possibility of simplifying and rationalising the teaching grade structure of public sector schools.
- Planning with schools still operating in bi-sessional mode to work towards enabling all primary school students to have opportunities to study in whole-day primary schools.
- Consulting the public on the long-term arrangements of the Medium of Instruction Policy and the Secondary School Places Allocation System.

- Consolidating the views expressed on the new senior secondary education and higher education reform and decide on the way forward for the new academic structure including the design, implementation details and financial arrangement.
- Implementing a qualifications framework by phases through the formation of industry training advisory committees to develop competency-based qualifications for the industries. We are taking steps to implement a quality assurance mechanism to underpin the qualifications framework.
- Implementing the University Grants Committee's recommendations of the Higher Education Review.
- Participating in the work of the Standing Committee on Legal Education and Training to oversee and promote reforms in legal education.

Environmentally Responsible Development

Preamble

Environmentally responsible development is about the delivery of a better quality of life for every one of our citizens, for now and for generations to come. We must tackle immediate problems – air pollution from power plants and vehicle emissions, and water pollution in the harbour – with renewed vigour and determination. We owe it to future generations to act now and preserve the environment through the promulgation of sound policies on nature conservation, waste reduction and recycling, total water management and greening as well as the implementation of effective programmes. The community, the business sector and the Government are stakeholders as much as they are partners in the protection and improvement of our environment. It is incumbent upon all parties to take up this responsibility to collaborate fully, working together with commitment to Hong Kong – a place where we and our children build our sustainable home.

New Initiatives

We will:

- Introduce a Bill to amend the Building Management Ordinance to improve certain provisions in the legislation for the benefit of owners' corporations and property owners.
- Develop a performance-based regulatory system to facilitate modern and innovative building design.
- Solicit the support of the Hong Kong Housing Society to provide assistance to owners of old buildings so as to promote proper management and maintenance of such buildings.
- Develop a programme for implementing Harbour Area Treatment Scheme Stage 2 in the light of the outcome of the public consultation exercise on the way forward.
- Draw up an action timetable for implementing the requirements of the Stockholm Convention concerning regulation of persistent organic pollutants.
- Consult the public and the trades on a mandatory energy efficiency labelling scheme to facilitate consumers to choose energy efficient equipment.
- Review the existing sewage services charging scheme according to the "polluter-pays" principle with a view to achieving an equitable sharing of the funding responsibility in respect of the provision of sewage services.
- Draw up measures to promote and facilitate the development of the recycling industry under the environmental industry policy.

- Roll out a territory-wide source separation campaign (based on the results of pilot schemes on separation of domestic waste) to encourage households to separate waste at source, thereby improving recovery and reducing waste.
- Strengthen cooperation with Guangdong to improve the air quality of the Pearl River Delta Region. In 2005, we will start monitoring jointly the air quality of the region and discuss the introduction of further enhanced emission control measures.
- Introduce a Product Responsibility Scheme for waste tyres to provide an incentive for stakeholders to reuse or recycle waste tyres, thereby reducing the volume of tyres to be disposed of in landfills.

Ongoing Initiatives

We are:

- Implementing a comprehensive greening policy for Hong Kong through the collaboration of different departments and with the input of experts and specialists in the field, and aiming to develop a sustainable greening programme for the urban areas. We have set up a high level Steering Committee on Greening, completed the planting of 16 million trees, shrubs and annuals in 2003-04, and will complete the planting of another 10 million in 2004-05. We also aim to produce greening master plans for Tsim Sha Tsui and Central by around mid 2005 so that works can start. Six community gardens in different districts have been established in 2004. The programme will be extended to cover all districts in 2005-06. We are also organising various greening and horticulture activities to promote public support for a green environment.
- Continuing our efforts to enhance building management and maintenance of private housing through public education, publicity and participation of professional bodies. We are working towards a second stage public consultation focusing on the feasibility of introducing mandatory building inspections in response to public views.
- Ensuring that our planning and land use objectives are geared towards our mission to protect the Victoria Harbour and enhance it for the enjoyment of our residents and visitors alike. Apart from Central, Wan Chai North and Kai Tak, the Government will not undertake any further reclamation in the Harbour. Our policy will be reflected in relevant town plans.
- Developing a land use, transport and environment strategy under the Hong Kong 2030 study to guide the long-term development of Hong Kong.

- Streamlining the town planning process under the Town Planning Ordinance and enhancing openness of the planning system.
- Undertaking a review of the urban regeneration policy with a view to speeding up urban renewal, including a review of the Urban Renewal Strategy and examination of ways to facilitate private sector participation in urban renewal.
- Drawing up a minor works control system to streamline statutory procedures for processing such works in order to improve the legislative framework for building control and building safety.
- Consulting various stakeholders with a view to formulating preliminary proposals on small house policy for more in-depth discussion.
- Reviewing the development intensity in public housing projects to enhance the living environment and cost-effectiveness within permitted plot ratio.
- Establishing an engagement process that facilitates public participation in formulating a sustainable development strategy for Hong Kong.
- Encouraging the power companies to undertake pilot production-scale wind energy projects for public demonstration and evaluation purposes and continue to promote the wider application of renewable energy.
- Identifying the viable technologies to be adopted with a view to developing state-of-the-art, cost-effective and environmentally friendly large-scale waste treatment facilities in Hong Kong. We will consult the public on the options to be adopted.
- Continuing to implement the “polluter-pays” principle. We will introduce a disposal charging scheme for construction and demolition waste. This will provide economic incentives to reduce such waste and carry out sorting to facilitate reuse or recycling.

- Continuing to explore opportunities to reuse inert construction and demolition materials outside Hong Kong. We signed a Cooperation Agreement on Cross-boundary Marine Dumping with the State Oceanic Administration on 31 March 2004 to provide a foundation for the accommodation of inert construction and demolition materials in Mainland waters. We will continue our collaboration with the construction industry and relevant authorities on the identification of land formation projects in the Mainland to reuse our inert materials.
- Working towards the implementation of the Regional Air Quality Management Plan with the Guangdong Provincial Government including studying the introduction of a pilot emissions trading scheme among power plants in Hong Kong and Guangdong to optimise the use of resources in the reduction of emissions in the same air shed to improve air quality in the Pearl River Delta region.
- Striving to reduce by 2010 the emission of four major air pollutants in the region by such levels as will enable Hong Kong to achieve the current air quality objectives.
- Implementing an incentive scheme to encourage replacement of diesel light buses with liquefied petroleum gas or electric light buses.
- Implementing the programme to retrofit pre-Euro heavy diesel vehicles with catalysts through provision of financial assistance and introducing legislation to make the installation mandatory upon completion of the retrofit programme.
- Overseeing the implementation of the new nature conservation policy including a pilot scheme on the improvement proposals of management agreement and public-private partnership, with the objective of better achieving the nature conservation objective, in particular enhancing conservation of ecologically important habitats on private land.
- Promoting the use of environmentally friendly buses by adding a provision in new bus franchises on the adoption of the latest commercially available and proven environmentally friendly technologies for acquiring new buses, encouraging bus companies to

deploy cleaner vehicles along busy corridors and including the provision of environmentally friendly measures as appropriate as a criterion in selecting operators for new bus route packages.

- Rolling out the Total Water Management programme to promote water conservation and water resource protection through education and publicity by commissioning a pilot desalination plant in Tuen Mun to collect test data and canvass public acceptance, and by planning two pilot schemes at the Ngong Ping Sewage Treatment Plant and the Shek Wu Hui Sewage Treatment Plant to explore alternative use of reclaimed water.
- Sustaining our efforts to encourage the wider use of recycled construction and demolition materials in public works projects.
- Implementing the flood prevention programme by completing 26 major flood prevention projects since 1997, carrying out 17 and putting 19 under planning and design. We will have substantially minimised the risk of regional flooding in the northern New Territories by 2006 upon the completion of Regulation of Shenzhen River Stage III and Drainage Rehabilitation Works at Ping Yuen River.
- Continuing with the Landslip Preventive Measures Programme which has greatly improved slope safety and visual impact of the built environment. We will upgrade and landscape 250 substandard government slopes as well as conduct safety-screening for 300 private slopes in the coming year.
- Reviewing the Landslip Preventive Measures Programme to identify possible scope for improved cost-effectiveness of the slope upgrading works.