

The 2006-07 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 July 2006 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 HKSAR Government's most important tasks are to pursue excellence in governance, foster a harmonious community and help the economy power ahead at full steam.

We have thrived on and are determined to maintain the rule of law. We will pursue "people-based" governance and endeavour to be sensitive and responsive to the community's needs and aspirations. We are committed to the "Big Market, Small Government" and "Market Leads, Government Facilitates" principles 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 endeavour to cultivate and maintain a good relationship with the Central Government, and will count on the support of every citizen and 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 remaining term of the current Government. 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 the last issue of the 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 cultivate and maintain a good relationship between the HKSAR and the Central Government, pursue “people-based” governance, and, on the basis of an executive-led government, raise our capacity to govern. We will work to provide a sound foundation through effective governance to maintain and further develop Hong Kong’s position as “Asia’s World City”. We will strengthen our relations with the international communities and actively co-ordinate the efforts of government departments and public bodies to promote Hong Kong overseas. 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 continue to strive to achieve 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. We will encourage public participation in politics to lay a more solid foundation for implementing “Hong Kong people ruling Hong Kong”.

New Initiatives

We will:

- Introduce legislation to give effect to the proposal to introduce a financial assistance scheme for candidates in the District Council elections.
- Enhance the work of the Government in districts through more effective co-ordination by District Officers supported by the Steering Committee on District Administration.
- Enhance communication between District Councils and the Administration through Heads of Departments attending District Council meetings on a regular basis.
- Involve District Councils in the management of designated district facilities by implementing a pilot scheme from January 2007 which will pave the way for full implementation in all 18 districts from January 2008.
- Co-ordinate celebrations for the 10th Anniversary of the establishment of the HKSAR. We will make use of this opportunity to highlight the successful implementation of the “One Country, Two Systems” principle and create a festive atmosphere for community involvement and participation.
- Review the provisions in the Control of Obscene and Indecent Articles Ordinance, in particular those relating to repeated offenders, to assess if they would need to be strengthened to enhance the deterrent effect.

- Promote legislation to implement the arrangement for the reciprocal enforcement of judgments in specific commercial matters with the Mainland.
- Introduce a Risks and Needs Assessment Protocol to identify prisoners prone to custodial and re-offending risks, and to deliver rehabilitative programmes matching their needs, with a view to more effectively reducing re-offending.
- Undertake the necessary legislative and administrative measures with a view to reducing the coverage of the Frontier Closed Area; and examine the potential uses of the land to be released from the Area.

Ongoing Initiatives

We are:

- Continuing to consult the public on the proposal to further develop the Political Appointment System by creating new positions in the political tier at different levels. We will analyse the views collected with a view to making public the Government's proposed way forward some time during the first half of 2007.
- Continuing to take forward constitutional development after 2007. We will strive to build a consensus in the community on a roadmap for universal suffrage through discussions at the Commission on Strategic Development. The Commission is discussing possible models for implementing universal suffrage for selecting the Chief Executive and forming the Legislative Council. We will publish a report to draw conclusions on the discussions of the Commission during the first half of 2007, and submit the report to the Central Authorities.
- 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.
- 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.

- Improving arrangements for the next cycle of rural elections in 2007, in the light of experience gained in the 2003 elections and consultation with the rural community.
- Implementing the existing gambling policy and regulating authorised gambling activities conducted by licensed operators.
- Working closely with the Betting and Lotteries Commission to ensure proper regulation of authorised horse race betting, football betting and lotteries.
- Funding higher education institutions to undertake public policy research. The Research Grants Council (RGC) of the University Grants Committee has already, through the first two rounds of the Public Policy Research Funding Scheme, approved the funding of a total of \$14.3 million to 28 research projects. RGC is now processing third round applications and is expected to announce results by the end of 2006.
- Enriching the new government portal, GovHK, taking into account feedback from users. The portal has been soft launched since September 2006 to serve as the one-stop shop for online government information and services.
- Developing a pilot Citizen-centric Services Programme. The idea of delivering joined-up government services will be realised in the development of the Youth Portal. The Youth Portal provides a single window for local youth aged 15 to 24 to conveniently access information and services provided by the Government and other government-funded organisations. A feasibility and technical study for the project is under way. The development work will start around end 2006 and the portal will go live in mid-2007.

- Continuing with the development of an improved civil service pay adjustment mechanism which helps maintain a clean, stable and efficient civil service and is also considered as fair and reasonable by the community. The exercise includes the conduct of a pay level survey, review of the annual pay trend survey and development of a better mechanism to facilitate both upward and downward pay adjustments in future. We aim to complete the pay level survey field work within 2006 with a view to considering the application of the survey results in early 2007.
- Continuing to control the size of the civil service by providing the necessary management tools to assist bureaux and departments to achieve staff savings and enhance efficiency, while at the same time giving due consideration of the need for additional manpower resources for delivering new and improved services.
- Continuing to provide civil servants with training and development opportunities. 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.
- Continuing to maintain and enhance morale of the civil service, and encourage fuller use of various commendation schemes to recognise and motivate exemplary performance.
- Continuing to maintain a vigorous, effective and efficient disciplinary system against misconduct in the civil service. Continuing to monitor closely implementation of the streamlined procedures for removing under-performers whilst sustaining efforts to further improve efficiency and productivity in the civil service.

- Continuing to develop the standards of appellate advocacy and preparation in criminal cases through the compilation of a Criminal Appeals Manual, and through training in the preparation of appeals.
- Continuing to enhance the quality of criminal justice through regular reviews of the disclosure arrangements of the law enforcement agencies in relation to material which requires to be revealed to the defence to ensure the fair and proper conduct of criminal cases.
- 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 to liaise with the International Association of Prosecutors in order to facilitate its work in the Asia/Pacific Region and promote co-operation amongst prosecutors at the global level in the combat of crime.
- 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.
- Continuing to enhance the law drafting skill of law draftsmen through an in-house mentorship programme and enrich their drafting experience through more cross-fertilisation with other common law jurisdictions.
- 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.

- Continuing discussions with the Mainland and other jurisdictions on bilateral co-operation relating to Mutual Legal Assistance in Criminal Matters, Surrender of Fugitive Offenders, and Transfer of Sentenced Persons.
- Taking active steps to introduce a new type of passport featuring biometric capability in early 2007 to tie in with the expected first tide of applications for renewal of HKSAR passport valid for ten years from July 1997.
- Continuing the implementation of the face recognition system to facilitate the verification of identity of suspect visa applicants and arriving passengers.
- Putting into effect, through legislation and other means, the recommendations of the Financial Action Task Force on Money Laundering to further enhance our anti-money laundering and counter-terrorist financing regime.
- Continuing to ensure that our legislative regime for combating terrorism is current and meets the need of changing circumstances.
- 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 value-added services.
- Providing a legal basis for the existing police complaints system by making the Independent Police Complaints Council a statutory body.
- In line with the principle of keeping expenditure within the limits of revenue, continuing the strive to achieve a fiscal balance, avoid

deficits and keep the budget commensurate with the growth rate of GDP; reviewing our tax base and continuing to implement the asset sale and securitisation programme.

- Conducting a public consultation lasting for about nine months on tax reform to solicit the views of the community before making a recommendation to the Government of the next term on whether Hong Kong should pursue tax reform and introduce a Goods and Services Tax.
- Developing a Works Project Information Standard to facilitate the electronic exchange of public works project data and the reliability of electronic communications among stakeholders. We are refining the proposal in the light of advice from stakeholders.
- Preparing for a detailed consultancy study starting with the Business Case Study in regard to the adoption of Public-Private-Partnership for the in-situ reprovisioning of the Sha Tin Water Treatment Works. We will suitably involve staff in the process.
- Continuing the effort to set up e-portals for the major clients of the Electrical and Mechanical Services Trading Fund (EMSTF) and making wider use of remote imaging and monitoring technology to further enhance the efficiency and service quality of EMSTF.
- Continuing to improve the quality and efficiency of the EMSTF despite the fact that it has been selected as the Gold Award winner of the 2006 Hong Kong Management Association Quality Award.
- Ensuring that the Architectural Services Department can achieve the target of outsourcing to 85% of the delivery of new projects in 2006-07 under its re-engineering programme.

- Fine-tuning the Customer Care and Billing System for over 2.6 million customers of the Water Supplies Department in enhancing operational efficiency and customer service.
- Continuing to work closely with the stakeholders to put in place a voluntary registration scheme for vehicle mechanics to enhance the standard of the vehicle maintenance trade.
- Continuing to work in collaboration with the construction industry to monitor and control payment of workers' wages and reduce non-value added multi-layer subcontracting to raise industry standards. New measures have already been implemented on all new public works contracts.

Vibrant Economy

Preamble

We will anchor economic development as the focus of the Government and help the economy power ahead at full steam; uphold the principles of “Big Market, Small Government” and “Market Leads, Government Facilitates”; adhere to the principles of free enterprise and fair competition, respect private ownership and honour contractual obligations; adopt an economic strategy rooted in leveraging China’s growth for Hong Kong’s global economic success to consolidate and strengthen Hong Kong’s position as “Asia’s World City” and maintain and strengthen the territory’s status as an international centre of financial services, trade and shipping, etc; and support Hong Kong’s development on all fronts such as financial services, logistics, tourism and information services. We will make job creation an important consideration in formulating public policies. We will increase investment in our infrastructure, enhance employment opportunities and upgrade our human capital. 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, to provide a business-friendly environment.

New Initiatives

We will:

- Intensify efforts to promote awareness of and respect for intellectual property rights in the business sector, and to assist businesses, in particular small and medium enterprises (SMEs), to achieve intellectual property compliance.
- Plan, in the light of views collected at the public consultation, to introduce legislation in the 2006-07 legislative session to effect the establishment of a new Communications Authority by merging the functions of the Broadcasting Authority and Telecommunications Authority to enhance regulatory co-ordination and efficiency and facilitate further development of the electronic communications industry.
- Rationalise the institutional framework of government and public organisations in respect of film industry development and support through entrusting the Secretary for Commerce, Industry and Technology (SCIT) to co-ordinate the relevant policy, planning and activities, including manpower training, Mainland and overseas promotion, and filming support. We will set up a Hong Kong Film Development Council, mainly comprising members of the film industry, to support the SCIT.
- Promote Hong Kong design and encourage the use of design for adding value to our goods and services through enhanced support for the Hong Kong Design Centre.

- Review and reappraise our information protection capabilities across our use of cyberspace. This review will focus on existing government standards and practices while ensuring we consult industry fully on more advanced approaches where they apply. We will also extend our information security awareness and public education programme to ensure that all citizens and businesses can move forward in the cyber world with confidence.
- Set up two Youth Employment Resource Centres to provide one-stop advisory and support services on employment and self-employment to youths aged between 15 and 29.
- Replace the Civil Aviation Department's (CAD) air traffic control system and develop a new CAD Headquarters on the Airport Island to accommodate under one roof the department's various divisions which are currently scattered geographically with a view to better utilising resources to support the long-term growth of the aviation industry.
- Plan actively for the widening of the town centre section and improvement of the expressway section of Tuen Mun Road.
- Identify ways to broaden the source of corporations seeking to use Hong Kong as a platform for listing, with a view to facilitating listings of quality overseas companies.
- Stage an Asian Financial Forum to, inter alia, highlight Hong Kong's position as an international financial centre.

- Conduct a joint study with the Shenzhen Municipal Government to establish the need, function and benefits of developing the Eastern Corridor (Liantang/Heung Yuen Wai Control Point), and in parallel proceed with an internal study on the Hong Kong side for the new crossing. We will strive to complete the necessary evaluation and planning study of the Eastern Corridor in early 2008.

Ongoing Initiatives

We are:

- Continuing to strengthen regional co-operation between the Mainland and Hong Kong following the establishment of the Mainland Affairs Liaison Office in the Constitutional Affairs Bureau and the setting up of new Economic and Trade Offices in Chengdu and Shanghai.
- 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 PPRD provinces and regions.
- Finalising the arrangements for the setting up of an Economic and Trade Office in Berlin to strengthen our economic and trade representation in Europe.
- Participating actively in the work of the World Trade Organization to bring about continual trade liberalisation and to promote and protect the trade interest of Hong Kong.
- Working closely with the Mainland authorities at the central, provincial and municipal levels to ensure the smooth and effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (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.

- Undertaking joint promotional efforts with relevant authorities in the Mainland to attract more overseas enterprises to invest in Hong Kong and use Hong Kong as a platform to tap the business opportunities in the Mainland.
- Stepping up promotional efforts to attract Mainland enterprises to invest in Hong Kong and to use Hong Kong to reach out to the rest of the world.
- Continuing promotional efforts to attract more overseas enterprises to invest in Hong Kong and to set up regional headquarters or regional offices in Hong Kong.
- Taking the Copyright (Amendment) Bill 2006 through the legislative process with a view to enacting it within the 2006-07 legislative session.
- Continuing to review how to give more effective protection of copyright in the digital environment, with a view to launching a public consultation exercise in end 2006.
- 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 for the Hong Kong-Shenzhen Western Corridor and installation of automated passenger, vehicle and cargo clearance systems.
- Continuing to assist SMEs through the SME funding schemes.
- Reviewing and updating the existing telecommunications regulatory framework to cater for the convergence of fixed and mobile communications services.

- Enabling, via a pilot scheme, the commercial exploitation of the intellectual property in the government IT systems originally developed by contractors for creating a better business environment for Hong Kong.
- Operating a new standing offer procurement facility for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.
- Exploring further opportunities of data centre outsourcing with a view to improving operational efficiency and fostering the development of the local IT industry.
- Mapping out an implementation plan for piloting e-procurement at departmental level to deal with low-value, high volume purchases to improve internal efficiency and encourage external suppliers to adopt e-commerce.
- 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.
- Continuing the review on the broadcasting regulatory regime and assessment of the impact of technological and market convergence in order to facilitate the development and advancement of the electronic communications industry and services.
- Completing a review of the Digital 21 Strategy in 2006 and promulgating the updated Strategy in 2007 to set out a blueprint for harnessing the benefits of information technology for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.

- Continuing to position Cyberport as the one-stop hub by providing a variety of infrastructure, resources and support services to the digital entertainment industry in Hong Kong.
- Implementing the new strategic framework for innovation and technology development through the five newly-established research and development (R&D) centres to conduct applied R&D and promote technology transfer to the industry.
- Continuing to enhance collaboration in science and technology with the Mainland through the Mainland-Hong Kong Science and Technology Co-operation Committee.
- Continuing to work closely with the Guangdong Provincial Department of Science and Technology under the Expert Group on Co-operation in Innovation and Technology of the Hong Kong-Guangdong Co-operation Joint Conference to promote research and development collaborations between research institutions and enterprises in the region.
- Implementing the DesignSmart Initiative to promote wider use of design and innovation in industries to help them move up the value chain.
- Working with the International Telecommunication Union (ITU) to ensure the successful hosting of the ITU TELECOM WORLD 2006 in Hong Kong in December 2006.
- Reviewing and developing a comprehensive radio frequency spectrum management and policy framework to ensure more effective and flexible utilisation of radio frequency spectrum that will facilitate technological development and evolution of business models.

- Continuing to consult the industry in order to develop a framework for the deployment of broadband wireless access technologies and services.
- Taking the Unsolicited Electronic Messages Bill through the legislative process with a view to enacting it within the 2006-07 legislative session.
- Assisting in the development of Hong Kong as a regional centre for legal services and dispute resolution.
- Continuing to review the law of arbitration with a view to making it more user-friendly and thereby attracting more international arbitrations to Hong Kong.
- Overseeing socio-legal research being conducted by consultants into the supply of, and demand for, legal services in the community.
- Contributing to the development of a legal services information website.
- 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 among Hong Kong lawyers of business opportunities in the Mainland.
- Exploring with Hong Kong legal profession, and discussing and concluding with Mainland authorities, on further market access opportunities for legal services under CEPA.

- Discussing with the two electricity companies the terms of the new Scheme of Control Agreements to succeed the existing ones which will expire in 2008. We will take into account public views received during the Stage II Public Consultation on “Future Development of the Electricity Market in Hong Kong” in finalising the agreements and mapping out the long-term development of our electricity market.
- Reviewing the Government’s competition policy in the light of recommendations by the Competition Policy Review Committee, with a view to putting forward recommendations following the completion of a public consultation exercise in 2007.
- Reviewing the recommendations in the consultancy report on competition in the auto-fuel market and considering preventive measures against cartel behaviour, either through general or sector-specific competition laws. The report was released in April 2006. The consultant concluded that there was no clear evidence of collusion by the oil companies in setting prices for auto-fuel.
- Operating the new job centres in Yuen Long and North District to provide a full range of employment services to job-seekers living in these two districts.
- Continuing with the Youth Work Experience and Training Scheme and the improvement measures introduced in 2005 under the Youth Pre-employment Training Programme to enhance its vocational training value.
- Continuing with the Employment Programme for the Middle-aged and the Work Trial Scheme for unemployed persons having special difficulty in finding jobs.

- Continuing with the Work Orientation and Placement Scheme to help place people with disabilities into employment.
- Extending the Special Incentive Allowance Scheme for Local Domestic Helpers (LDH) by one year to further promote the LDH market.
- Extending and regularising some of the temporary jobs in the public sector to meet operational needs.
- Reviewing the demand for air services from time to time and continuing to formulate development strategy to support the continued growth and development of the civil aviation industry.
- Continuing to assist the Airport Authority to expand intermodal connections to strengthen the links between the Hong Kong International Airport and the Pearl River Delta region.
- Reviewing the feedback from the consultation exercise on the partial privatisation of the Airport Authority.
- Continuing to implement the measures recommended by the Hong Kong Port-Master Plan 2020 Study to enhance the competitiveness of the Hong Kong Port.
- Conducting the Port Cargo Forecast Study to work out the optimal timing for the construction of Container Terminal 10.
- Conducting the Ecology Study on Northwest Lantau to assess the environmental suitability of this location for the development of Container Terminal 10.
- In the context of cross-boundary logistics co-operation, further enhancing collaboration on the basis of the achievements so far, and continuing to discuss with the Guangdong authorities

measures to reduce cross-boundary trucking cost, with a view to enhancing freight flow and logistics efficiency between the two sides.

- Conducting a detailed feasibility study on the Lantau Logistics Park project to fulfil the statutory requirements for the subsequent zoning and reclamation of the site for the Park.
- Monitoring the implementation of the Digital Trade and Transportation Network (DTTN) services in accordance with the Operating Agreement signed with the DTTN Limited.
- Taking steps to expedite the development of new cruise terminal facilities.
- Liaising closely with Ocean Park Hong Kong and relevant parties to ensure smooth implementation of the Redevelopment Project with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region.
- Co-ordinating Government's efforts to help ensure smooth operation of various major tourism infrastructure projects, including Hong Kong Disneyland, Hong Kong Wetland Park and Ngong Ping 360.
- Planning and co-ordinating new projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project to complement the Redevelopment Project of the Ocean Park, enhancement of the Lei Yue Mun waterfront, and development of a piazza in Tsim Sha Tsui.
- Monitoring the project of developing the former Marine Police Headquarters in Tsim Sha Tsui into a heritage tourism attraction in 2008.

- Continuing to implement the global promotion campaign “2006 Discover Hong Kong Year” to attract more visitor arrivals, leveraging on the commencement of key tourism infrastructure projects, including Hong Kong Disneyland, Hong Kong Wetland Park and Ngong Ping 360.
- Conducting the tender exercise for the design-and-build contract of the Tamar development project, with a view to awarding the contract and commencing construction works in 2007.
- Preparing a Contract Management User Guide and conducting training for civil servants to promote best practices in contract management and performance monitoring in connection with the outsourcing of public services to the private sector.
- Continuing to assist bureaux and departments in identifying new opportunities for private sector involvement, and providing practical help with feasibility/business case studies.
- Continuing to pursue the preparatory work for the Hong Kong-Zhuhai-Macao Bridge, with a view to finalising and submitting the feasibility study report to the Central Government for approval, and commencing the construction work as soon as possible.
- Continuing to monitor Kowloon-Canton Railway Corporation’s engineering and business studies on the combined project of the Hong Kong section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Northern Link, and to discuss with the Mainland authorities concerned the best way to proceed with the project.
- Implementing the proposed merger of the Mass Transit Railway and the Kowloon-Canton Railway systems, including completing the necessary legislative process.

- 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 West Island Line, and assessing the viability of the South Island Line.
- Continuing to monitor the progress of the Lok Ma Chau Spur Line and the Kowloon Southern Link for timely commissioning in the first half of 2007 and late 2009 respectively.
- Preparing for the commissioning of the Hong Kong-Shenzhen Western Corridor to tie in with the opening of the boundary-crossing facilities at Shekou in mid-2007, including continuing our discussion with the relevant Mainland authorities on the cross-boundary vehicle quota system with a view to further facilitating vehicular movement across the boundary.
- 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.
- Continuing to implement improvement measures by phases to better co-ordinate the change in non-franchised bus services with demand and to enhance regulation of their operation.
- Continuing to assist the local construction industry in reaching out to new markets and exploring business prospects by leveraging on CEPA, as well as by strengthening the collaboration with the Mainland authorities.
- Continuing to promote mutual recognition of professional qualifications under CEPA for construction-related personnel and pursue with Mainland cities the secondment of graduate trainees to encourage exchange of talents and enhance co-operation.

- Setting up a Construction Industry Council as an umbrella organisation with self-regulatory powers to pursue continuous quality improvements in the industry upon the enactment of the Construction Industry Council Ordinance in May 2006.
- Progressing with registration of existing construction workers, and subsequently, prohibiting unregistered construction workers from carrying out construction work on construction sites as well as employment of unregistered construction workers for such purpose.
- Reviewing and updating the Concept Plan for Lantau with a view to providing fresh impetus for Hong Kong's economic development and maintaining a balance in conservation of the environment.
- Continuing the work on improving our business environment through encouraging departments to cut red tape, and remove outdated or unnecessary regulations. We set up the Business Facilitation Advisory Committee in January 2006 to advise and report to the Government the development and implementation of programmes and measures to facilitate business. Under the steer of the Committee, we will continue our efforts in conducting regulatory reviews and promoting a business facilitating culture, and actively explore the feasibility of various business facilitation measures.
- Preparing for the implementation of the New Basel Capital Accord (commonly known as Basel II) to enhance the risk management capability and stability of the banking sector.
- Continuing to facilitate the smooth operation of 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.

- Implementing the Deposit Protection Scheme.
- Continuing our efforts to promote Hong Kong's asset management industry, with a view to enhancing Hong Kong's position as a major asset management centre in Asia.
- Continuing our efforts in promoting bond market development. Securities and Futures Commission will develop a framework proposal for legislative amendments with a view to modernising the regime for public equity and debt offerings. Hong Kong Monetary Authority will seek to enhance the arrangements related to the Exchange Fund Bills and Notes Programme, including the market-making system, the issuance programme, and the trading platform. Consideration will also be made to lengthen the benchmark yield curve to facilitate market development.
- 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.
- Establishing the Financial Reporting Council to enhance oversight of auditors and quality of financial reporting.
- Preparing proposals on the setting up of an independent Insurance Authority for consultation with stakeholders.
- Conducting the rewrite of the Companies Ordinance with a view to providing Hong Kong with a modernised legal infrastructure attuned to its needs in the 21st century as an international business and financial centre.

- Pursuing measures to promote the use of Hong Kong's financial platform for Mainland's financial intermediation. Such measures include enhancing the capability of Hong Kong's financial system to handle Renminbi-denominated transactions and strengthening financial infrastructure linkages between the Mainland and Hong Kong. Actively engaging in promotional efforts to encourage enterprises from the PPRD Region to use Hong Kong as a global capital formation and investment platform.
- Providing a platform for and assisting 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.
- Refining the Land Titles Ordinance. We will introduce amendments to the Land Titles Ordinance and the supporting 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.
- Ensuring smooth implementation of the Housing Authority's programme for orderly disposal of surplus Home Ownership Scheme flats beginning from 2007.
- Appointing civil celebrants to facilitate private sector participation in the solemnisation of marriages and to provide greater flexibility and convenience to members of the public.

Caring and Just Society

Preamble

Our vision is to foster a Caring and Just Society. We will endeavour to imbue the community with a sense of harmony; safeguard values such as freedom, equality, rule of law and the fight against corruption; protect human rights and other fundamental rights which Hong Kong citizens are entitled to enjoy; enforce the role of the Government as an agent and guardian of Hong Kong's overall and long-term interests with regard to the principles of equality and impartiality, and ensure equal opportunities; engender a social environment that promotes harmony within the community, safeguard the heterogeneity of our community and promote tolerance, develop new opportunities and provide more choices for personal development. Warm, supportive and stable families are what count most in nurturing the healthy development of individuals. We will reinforce the importance of family, engender a family-friendly society and community, support and strengthen families, 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 enhance public health and improve quality of life. We will introduce health, social and housing policies and initiatives that enable individuals to enhance their community involvement. We will protect labour rights, care for the elderly, sick and underprivileged, 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. We will build partnerships with organisations

representing different segments of the community on the basis of shared responsibility, working hand in hand with them for the social development of Hong Kong.

New Initiatives

We will:

- Promote legislation to implement the Law Reform Commission's Report on the Rules For Determining Domicile.
- Launch a Wage Protection Movement for employees in the cleansing and guarding services sectors through a multi-pronged strategy involving employer groups.
- Familiarise stakeholders with the new medical functions of registered Chinese medicine practitioners in relation to employee benefits under labour laws.
- Strengthen the district-based approach and measures to help the disadvantaged through implementing the Enhancing Self-Reliance Through District Partnership Programme and other district co-ordination work.
- Encourage work, including promoting more people-oriented employment support, as well as social enterprise development in collaboration with academia, small and medium enterprises, and business sector on training, mentorship and business support.
- Explore ways to better promote healthy and balanced child development.
- Introduce a new mechanism for the determination of domestic rents for public housing.

- Explore how to co-operate with the Mainland authorities on using latest information technology application to ensure effective tracing of food along the production chain and achieve better food safety management through control at source.
- Enhance community mental health support and outreach to raise general awareness of mental health and to promote early intervention of mental health problems.
- Provide additional subsidised residential care places for the elderly through the Enhanced Bought Place Scheme, in addition to those made available in new contract homes under the premises-led programme.
- Enhance the care for infirm and demented elders in residential care homes for the elderly.
- Enhance the service capacity of subsidised home-based services for vulnerable elders in the community.
- Provide more flexible day care services for children coming from needy families, particularly families with crisis.
- Prepare legislative amendments to the Domestic Violence Ordinance to enhance the prevention of domestic violence and to render better protection for victims of domestic violence.
- Further strengthen the specialised services and support for victims of domestic violence, including additional manpower resources, more shelter service for women, and clinical psychological support.
- Develop an organ donation computer database in consultation with relevant organisations.

- Consult stakeholders on the statutory framework in respect of regulating medical devices.
- Explore the feasibility of setting up multi-partite medical centres of excellence, which would become focal points for experts, provide training opportunities and further entrench Hong Kong's position as an outstanding professional medical treatment centre in the Region.

Ongoing Initiatives

We are:

- Collecting public views on the population policy through the engagement process conducted by the Council for Sustainable Development. We will be reviewing the population policy in the light of advice from the Commission on Strategic Development and the outcome of the above engagement process.
- Stepping up enforcement action and publicity to combat illegal employment.
- Stepping up enforcement action against wage offences, with particular emphasis on the catering and construction sectors.
- Strengthening tripartite co-operation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues.
- Reviewing the existing policies and measures to assist the unemployed to move from welfare to self-reliance, and to reduce the risks of intergenerational poverty.
- Promoting a more inclusive society marked by rich social capital and a balance between societal care and personal responsibility.
- Together with relevant stakeholders, encouraging further development of social enterprises to help enhance the employability of the able-bodied unemployed.

- Reinforcing the district-based approach in preventing and alleviating poverty by providing districts with additional resources and support.
- Enhancing our network at district level, which has proved invaluable in implementing Team Clean initiatives.
- Working closely with the Ping Wo Fund Advisory Committee on the use of the Ping Wo Fund to finance public education to prevent gambling-related problems, to provide counselling and support services to pathological gamblers, and to conduct research on studies on gambling-related issues.
- Continuing our work on the promotion of human rights, including (among others) children's rights, racial harmony, and the rights of the sexual minorities.
- Introducing specific legislation to prohibit discrimination on the grounds of race.
- Implementing the improvement measures for the Pre-Sale Consent Scheme, following completion of a review.
- Maintaining supply of public rental housing for needy applicants with an average waiting time of around three years.
- Ensuring effective and rational use of housing resources by promoting sustainable public housing development.
- Updating and enhancing our legislative framework for prevention and control of infectious diseases through amending the Quarantine and Prevention of Disease Ordinance.
- Further enhancing our infectious disease emergency responsiveness by seeking continuous improvement to our infectious disease surveillance, control and notification system.

- Developing a multi-pronged strategy to minimise the risk of avian influenza outbreaks, including the development of a poultry slaughtering and processing plant.
- Continuing our efforts in tobacco control through public education and legislation banning smoking in indoor work places and other public places and imposing more restrictions on tobacco advertisement.
- Promoting healthy eating habit among school children to protect the public from life-style diseases.
- Adopting a proactive and co-ordinated approach in poison prevention and control through strengthening toxicovigilance, analysis as well as poison information and treatment services.
- Enhancing the cancer surveillance regime.
- Conducting studies into various health care financing options. We are also mapping out a strategy for health care services reforms which were recommended in the consultation document “Building a Healthy Tomorrow” and supported by the public.
- Working out a sustainable long-term funding arrangement for the Hospital Authority to ensure the provision of quality public health care services.
- Conducting an Electronic Patient Record Sharing Pilot Project whereby the Hospital Authority permits participating private medical institutions and doctors, with patients’ consent, to obtain through the Internet their patients’ records kept in the Hospital Authority to facilitate timely follow up treatment.

- Enhancing primary medical care for the public through the introduction of family medicine in public General Out-patient clinics.
- Preparing for the establishment of at least two more public Chinese Medicine clinics in 2007.
- Reviewing the regulatory framework for poultry and animals for the purpose of enhancing public health and food safety.
- Improving overall food safety and control on agricultural and fisheries operations that have an impact on public health or the environment.
- Formulating measures to promote sustainable development of the fishing industry and to conserve fisheries resources in Hong Kong waters.
- Drawing up legislative proposals to prohibit the abstraction of seawater from specified areas along the coast for keeping live seafood to enhance the quality of fish tank water for food safety.
- Drawing up legislative proposals to regulate restricted dining places to safeguard public health.
- Formulating measures to streamline food business licensing.
- Reviewing the policies related to the provision of cemeteries, columbaria and crematoria facilities and striving to provide more facilities to meet future demand.
- Continuing to strengthen district welfare planning and co-ordination.

- Implementing a Family Support Programme to increase connection with vulnerable families, which are unmotivated, so that their problems can be tackled early and appropriate services provided.
- Continuing to strengthen services and staff training relating to the handling of family crises and violence, and suicide.
- Implementing two batterers intervention pilot projects.
- Implementing the pilot Comprehensive Child Development Service in four communities, and subject to the review of the pilot, extending the pilot to other communities in phases.
- Providing fee-waiving places of After School Care Programme to help members of low income families to work. Also, schools are encouraged to collaborate with non-governmental organisations in providing school-based after school learning and other support services for needy students.
- Operating the \$300 million Community Investment and Inclusion Fund and the \$200 million Partnership Fund for the Disadvantaged to encourage mutual concern and aid, and to promote the development of partnership between the business community, the welfare sector and the Government in helping the needy.
- Enhancing transport services for people with disabilities through improvements to rebus service, and examining ways of improving accessibility of transport services.

- Providing transitional residential services to the severely disabled persons, including tetraplegic patients, as well as convalescent and continuing rehabilitation day services to discharged patients with mental, neurological or physical impairment to facilitate their early reintegration into the community.
- Continuing to improve IT and communication support for people with severe disabilities.
- Strengthening training and support services for family members and carers of people with disabilities.
- Launching an International Festival of Inclusive Arts in December 2006 for integrating people with disabilities and challenges into the community through co-operation and exchange of arts experiences.
- Promoting active ageing.
- Continuing to strengthen the manpower of the Licensing Office of the Residential Care Homes for the Elderly to enhance the inspection and monitoring of residential care homes for the elderly.
- Continuing to convert subvented residential care places into long-term care places for frail elders to meet the growing care needs of elders.
- Further studying a sustainable financial support system that better targets resources at caring of elders most in need.
- Continuing to train additional Enrolled Nurses for the welfare sector.

- Reviewing measures under the Comprehensive Social Security Assistance (CSSA) Scheme to encourage and help able-bodied CSSA recipients to move into work.
- Overseeing the operation of the Trust Fund for SARS.
- Providing support to the Women's Commission in promoting the interests and well-being of women through the provision of an enabling environment, empowerment of women, including continuing the Capacity Building Mileage Programme, and public education.
- Continuing to progressively introduce the use of the Gender Mainstreaming Checklist in different policy areas, and work with the Women's Commission to further promote gender mainstreaming.
- Studying the feasibility of long-term options for better meeting demands for emergency ambulance service.

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 will actively promote cultural exchanges with other places to provide momentum to cultural development in Hong Kong. We expect our society to be one which encourages self-initiative, entrepreneurship and aspirations, while valuing creativity and diversity.

New Initiatives

We will:

- Examine, through the inter-bureau steering committee chaired by the Chief Secretary for Administration, strategic issues relating to promoting Hong Kong as a regional education hub.
- Establish an Academy for Gifted Education to stretch the potential and nurture the talent of gifted students.
- Provide direct subsidies for parents and further enhance the quality of pre-primary education, including professional upgrading of principals and teachers, and developing an effective quality assurance mechanism.
- Rationalise the use of existing performance venues and identify and develop new ones to address the venue shortage problem.
- Commission a study to compile a comprehensive inventory of Hong Kong's intangible cultural heritage in accordance with the requirement of the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage, with a view to strengthening their preservation and promotion in Hong Kong.
- Set up a central web-based "Hong Kong Memory" to archive information related to the collective memory of Hong Kong people.
- Develop and implement a holistic strategy to promote wider participation in sports by people of all age groups.

- Encourage the growth and development of “up-and-coming” sports to enhance Hong Kong’s medal hope in the international sports arena.
- Strengthen the financial, educational and career guidance support for elite athletes through a more structured and comprehensive “Athletes Development Plan”.
- Embark on the re-development of the Hong Kong Sports Institute.
- Establish a creative arts centre at the former Shek Kip Mei factory building to help nurture budding artists and create a clustering effect for the development of creative industries in Hong Kong.

Ongoing Initiatives

We are:

- Participating in the work of the Standing Committee on Legal Education and Training to oversee and promote reforms in legal education.
- Planning with about ten remaining primary schools to turn into whole-day schooling.
- Preparing for the implementation of the revised Secondary School Places Allocation System with effect from September 2007 and the revised Medium of Instruction arrangements for secondary schools from September 2010.
- Preparing for the new senior secondary education and higher education reform and continuously engaging and consulting stakeholders in the run-up to implementation in 2009.
- Implementing a qualifications framework by phases through the formation of industry training advisory committees to develop competency-based qualifications for individual industries, and developing a quality assurance mechanism to underpin the qualifications framework.
- Implementing specialised teaching in English, Mathematics and/or Chinese subjects in public sector primary schools with the creation of permanent teaching posts with effect from the 2006-07 school year.

- Strengthening school-based professional support for kindergartens, primary and secondary schools, so as to enhance the professional capacity of teachers and help them take forward education reform initiatives in a strategic manner.
- Continuing our efforts in enhancing the standards of Chinese (including Putonghua) and English of the community, using the Language Fund and other available resources.
- Deferring the review of the teaching grade structure of public sector schools. On the advice of the Education Commission, it was decided to shelve the review as teachers are pre-occupied with the senior secondary education reform and teacher establishment will be affected by the decline of student population in the coming years. The review will be revisited in 2009.
- In the light of the report of the Committee on Review of Public Service Broadcasting to be received, planning to consult the public extensively on the main issues, including the public mission, specific public purposes, service model, governance, accountability, public participation and financial arrangements, before deciding on the policy and arrangements for future public service broadcasting of Hong Kong.
- Reviewing the tender arrangement for the heritage tourism project at the Central Police Station, Victoria Prison and the former Central Magistracy.
- Reviewing the policy on built heritage conservation in Hong Kong with a view to drawing up a series of improvement measures.
- Modifying the implementation mode for taking forward the leisure and cultural facilities in Kwun Tong and Tseung Kwan O, which were originally planned as Private Sector Finance initiatives, with a view to better meeting the needs of the local community.

- Planning the development of a Multi-purpose Stadium Complex in South East Kowloon.
- Preparing for the organisation of the 5th East Asian Games to be held in 2009. We will make use of the opportunity of hosting this event to enhance our culture and standard in sports, and to foster community involvement in sports activities.
- Developing a cultural, arts and sports network in the Pearl River Delta, and at the same time supporting cultural exchange through the funding of outbound arts groups and signing Memoranda of Understanding on Cultural Co-operation with other countries to facilitate closer co-operation.
- Facilitating the promotion of major arts and cultural events and festivals in Hong Kong, highlighting our status as an international city, with particular reference to the preservation and development of Cantonese Opera as a local indigenous art form.
- Implementing the recommendations of the Committee on Performing Arts with a view to improving the operation and management of cultural services and venues, encouraging a greater degree of community involvement in the process, and supporting the Hong Kong Arts Development Council in formulating new strategies and initiatives to further promote and develop the arts in Hong Kong.
- Devising a series of improvement measures to the management and operation of public museums in consultation with the Committee on Museums; devising a series of measures to strengthen the role and functions of public libraries in the promotion of reading and appreciation of literary arts, in consultation with the Committee on Libraries.

- Conducting heritage assessment of and devising appropriate conservation approach for historical buildings in consultation with the Antiquities Advisory Board.
- 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 and corporate citizenship.
- Joining hands with all sectors in the community to prepare for the staging of the 2008 Olympic and Paralympic Equestrian Events. We will make use of this opportunity to showcase Hong Kong and enrich the sports culture in Hong Kong. We will make the Events a resounding success to bring pride to our home and our nation.
- Re-examining the arts and cultural facilities to be built in the West Kowloon Cultural District and formulating the way forward.

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 will support environmental protection and promote sustainable development. 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:

- Encourage owners of old diesel commercial vehicles to replace their old vehicles by offering one-off grant.
- Consult the public on legislating on whether to introduce a law to ban idling vehicles from running their engines.
- Provide tax incentives to encourage the use of environment friendly cars.
- Launch in 2007 a comprehensive study to review Hong Kong's Air Quality Objectives and to develop a long-term strategy on air quality management, followed by a thorough public engagement process.
- Prepare legislation for the introduction of producer responsibility schemes in Hong Kong to encourage waste reduction, recovery and recycling.
- Upgrade the Chemical Waste Treatment Centre in 2008-09 to meet the latest air-emission standards of the European Union.
- Request the Central Government to make arrangements for applying the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade to the HKSAR after the enactment of the Hazardous Chemicals Control Bill to regulate non-pesticide hazardous chemicals.

- Initiate a study on the general strategy for replacement of aged electrical and mechanical services assets on government premises to meet modern day requirements, including the wider use of environment friendly installations.
- Introduce legislation to mandate the installation of catalysts by long-idling pre-Euro heavy diesel vehicles.
- Commence the drafting of the relevant legislation on a mandatory building inspection scheme and a mandatory window inspection scheme to require private building owners to inspect their buildings and windows regularly, and to carry out the necessary rectification works in order to prevent the problem of building neglect, as well as put in place support measures.

Ongoing Initiatives

We are:

- Continuing the public engagement process for the Sustainable Development Strategy for Hong Kong, with the aim of encouraging greater public awareness of and participation in this process.
- Implementing a comprehensive greening strategy to improve the living environment of Hong Kong as well as make it a green model for Asia. Apart from continuous efforts to meet annual planting targets and review current government procedures and guidelines, we are actively pursuing the development and implementation of Greening Master Plans (GMPs). Our intention is to develop GMPs for the vast majority of urban areas in around four years. In developing the GMPs, we will adopt an Enhanced Partnering Approach which involves consultation with District Councils and the local community at the early stage. In 2006-07, we will organise 40 garden courses for the Community Garden Programme in 18 districts and will continue to organise various greening and horticultural activities to promote greater public awareness and support for a green environment.
- Continuing to achieve the objective of decking 16 sections of nullahs by 2014 to improve the living environment. We have completed three sections and expect to complete another five by end 2007 and the remaining in phases. The land obtained from decking of the nullahs will be used for public purposes such as greening, amenity and road widening.

- Actively proceeding with the Total Water Management programme. Water conservation and water resource protection are promoted through various educational and publicity means. Further to the completion of the one-year pilot study on desalination in Tuen Mun, we are now conducting another study in Ap Lei Chau. On the side of exploring uses of reclaimed water, we have commissioned the pilot scheme at Ngong Ping in March 2006 and are currently proceeding with the second one in Shek Wu Hui.
- Promoting the wider use of energy efficient devices and adoption of renewable energy systems in public works projects.
- Implementing the flood prevention programme to enhance the protection level in flood prone areas. We have completed 36 major flood prevention projects since 1997 and effectively minimised the risk of regional flooding. At present, there are 17 projects under construction. The Drainage Rehabilitation Works at Ping Yuen River were completed in early 2006. With this and the completion of the Regulation of Shenzhen River Stage III scheduled for end 2006, the risk of flooding in the northern New Territories will be greatly reduced. In addition, 14 projects are under planning including those six which aim to alleviate the flooding risk of urban areas at northern Hong Kong Island, East Kowloon and West Kowloon.
- Continuing with the Landslip Preventive Measures Programme which has greatly improved slope safety and visual impact of the built environment. We will upgrade another selected batch of 250 substandard government slopes as well as conduct safety-screening for another 300 private slopes in the coming year.

- Reviewing the Landslip Preventive Measures Programme to identify possible scope for improving the cost-effectiveness of slope upgrading works, as well as developing a risk-based priority ranking system for dealing with natural terrain susceptible to potential landslips, and formulating a strategy to deal with slopes formed with old technologies.
- Continuing to pursue the phased implementation of Stage 2 of the Harbour Area Treatment Scheme with the aim of completing Stage 2A by 2013-14, and advancing the provision of disinfection at the Stonecutters Island Sewage Treatment Works with a target completion of 2008-09. However, this is subject to the acceptance by the community of the need for the full recurrent costs to be recovered through the sewage services charging scheme. The timing for Stage 2B will be subject to further review in 2010-11.
- Implementing “the Hong Kong Special Administrative Region Implementation Plan” for meeting the obligations under the Stockholm Convention on Persistent Organic Pollutants, which was submitted to the Central Government in September 2006.
- Continuing to monitor the progress of the power companies in implementing pilot commercial-scale wind energy projects for public demonstration and evaluation purposes and promoting the wider application of renewable energy, following the commissioning of the first commercial-scale wind turbine on Lamma Island in February 2006.
- Continuing to review the existing sewage services charging scheme according to the “polluter-pays” principle and devise measures to rationalise the schemes so as to achieve an equitable sharing of the funding responsibility in respect of the provision of sewage services.

- Continuing to make possible the reuse of inert construction and demolition materials outside Hong Kong. After a tendering exercise, the first batch of public fill is scheduled to be delivered for use in Mainland reclamation projects by the first quarter of 2007.
- Continuing with the implementation of the Regional Air Quality Management Plan with the Guangdong Provincial Government including efforts to reduce the emission of four major air pollutants in the Pearl River Delta (PRD) to reach the agreed levels by 2010, through the retrofit programme of desulphurisation plants, upgrading of vehicle standards (National III (on a par with Euro III) for Guangdong, Euro IV for Hong Kong), adoption of cleaner production technologies for industries and 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 air emissions under the same air shed. The PRD regional air quality monitoring network was commissioned on 30 November 2005, with the daily release of the Regional Air Quality Index, thereby allowing the public to understand the regional air quality situation.
- Continuing to impose caps on the total emissions of power companies and requiring them to maximise the use of natural gas in power generation. Emission caps have been imposed onto Castle Peak, Black Point and Lamma Power Stations through their renewed licences.
- Overseeing the implementation of the pilot scheme on management agreement and Public-Private-Partnership promulgated under the New Nature Conservation Policy, with the objective of enhancing conservation of ecologically important habitats on private land.

- Promoting the use of environment friendly buses by implementing the provision added in the new bus franchises on the adoption of the latest commercially available and proven environment friendly technologies for acquiring new buses, encouraging bus companies to deploy cleaner vehicles along busy corridors, including the provision of environment friendly measures as appropriate as a criterion in selecting operators for new bus route packages and enhancing bus service rationalisation to reduce roadside air pollution, noise nuisance, traffic congestion and energy consumption.
- Introducing a new statutory regulation to impose maximum limits on the volatile organic compound content of paints, printing inks and selected consumer products, with the limits to be enforced in phases from 2007 to 2010.
- Consulting the stakeholders on a proposal in 2007 to strengthen the control of emissions from petrol and Liquefied Petroleum Gas vehicles including the use of roadside remote sensing equipment and the use of dynamometers for emission testings.
- Tightening vehicle emission standards to Euro IV in tandem with the European Union.
- Working towards the implementation of “A Policy Framework for the Management of Municipal Solid Waste in Hong Kong (2005-2014)”, which adopts the “polluter-pays” principle to induce behavioural changes to ultimately reduce waste. Major policy initiatives include introducing producer responsibility legislation, establishing the EcoPark, introducing municipal solid waste charging, extending the capacities of the existing landfills, and developing long-term plans for state-of-the-art large-scale waste treatment facilities. These initiatives are being pursued in partnership with the public and the industry and through

enhanced community educational efforts. We will continue to work closely with the estate management and the residents to implement the territory wide source separation of waste programme. Phase I of the EcoPark in Tuen Mun Area 38, designated for the development of recycling and environmental industries, will be available for leasing towards the end of 2006. The feasibility and environmental impact assessment studies on landfill extensions are ongoing.

- Securing the early passage of the Hazardous Chemicals Control Bill (i.e. legislation to regulate non-pesticide hazardous chemicals, including those covered in the Stockholm Convention on Persistent Organic Pollutants and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade) by the Legislative Council.
- Introducing new legislation for a mandatory energy efficiency labelling scheme help consumers to choose energy efficient electric appliances.
- Refining the Building Management Ordinance to improve certain provisions in the legislation for the benefit of owners' corporations and property owners.
- Continuing to closely work with the Hong Kong Housing Society and the Urban Renewal Authority to assist owners of older buildings to properly manage and maintain their buildings. We are also continuing our efforts to enhance building management and maintenance of private buildings through public education, publicity and participation of professional bodies.
- 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, with the

participation of the community. 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.
- Developing a performance-based regulatory system to facilitate modern and innovative building design.
- Finalising the proposals on 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. We will introduce amendments to the Buildings Ordinance to implement the minor works control system.
- Consulting various stakeholders with a view to formulating preliminary proposals on the review of small house policy for more in-depth discussion and implementing a set of streamlined procedures to speed up the processing of small house applications.