

The 2008-09 Policy Address
Policy Agenda

Policy Agenda

Introduction

In his last Policy Address entitled *A New Direction for Hong Kong*, the Chief Executive outlined the blueprint for Hong Kong's development in the next five years. He advocated the concept of "Progressive Development" and embarked on ten major infrastructure projects to promote economic development and create employment opportunities. While pursuing dynamic economic development, equal emphasis is also put on the benefits for the environment, culture and society.

Most projects have made good progress and are expected to commence as scheduled. It is particularly encouraging to see the approval of the bill and funding for the West Kowloon Cultural District project and the significant progress made on the Hong Kong-Zhuhai-Macao Bridge.

In terms of constitutional development, the Hong Kong Special Administrative Region (HKSAR) Government has made significant progress. The Decision adopted by the Standing Committee of the National People's Congress has made it clear that the election of the HKSAR Chief Executive may be implemented by universal suffrage in 2017. The Decision has also made it clear that after the Chief Executive is selected by universal suffrage, the election of the Legislative Council may also be implemented by universal suffrage. That is, after the election of the Chief Executive is implemented by the method of universal suffrage in 2017, the Legislative Council may also be elected by universal suffrage in 2020. The Decision is well received by the community.

With the blueprint for Hong Kong's development being rolled out, we will henceforth concentrate on enhancing people-based governance.

As global commodity prices soar, inflation becomes our primary concern. The Government has adopted a multi-pronged approach to ease the pressure. Relief measures were announced in the 2008-09 Budget followed by a \$11-billion worth package in July. But inflation is expected to persist in the coming year. The Government will continue to explore various measures to alleviate the inflationary pressure on the disadvantaged, thereby building a caring society. Another major challenge is to maintain Hong Kong's competitiveness. In response to global competition, Hong Kong needs to adopt a strategy of promoting closer economic integration with the Mainland. As part of the Greater Pearl River Delta economic region, Hong Kong should strengthen co-operation with Guangdong in earnest to compete in the world arena. To achieve this, we must maintain our position as an international financial centre, improve the business environment, and upgrade the quality of human capital as well as living environment.

Hong Kong is moving in the right direction, though we may face various challenges on our way. But with clear objectives, confidence and unwavering determination, Hong Kong will overcome all obstacles and rise to a new level of development.

Chapter 1

Developing the Infrastructure for Economic Growth

Preamble

Infrastructure development is a driving force for Hong Kong's development. In the 1970s and 1990s, large-scale infrastructure projects provided the momentum for Hong Kong to develop into a cosmopolitan city.

The ten major infrastructure projects announced by the Chief Executive last year are being implemented. The Legislative Council has approved the funding for the West Kowloon Cultural District (WKCD) and passed the legislation on the WKCD Authority to implement the project. With consensus having been reached in 2008 on the financial arrangements for the Hong Kong-Zhuhai-Macao Bridge, we expect to commence construction of the Bridge no later than 2010. The various major infrastructure developments will create ample employment opportunities and boost our Gross Domestic Product.

In terms of economic development, we will consolidate Hong Kong's status as a centre of financial services, trade and shipping while maintaining our leading position in tourism, logistics, creative industries as well as aviation and maritime services. In the face

Developing the Infrastructure for Economic Growth

of global competition, the Government will enhance Hong Kong's competitiveness, improve business environment and step up co-operation with Guangdong on all fronts.

New Initiatives

We will:

- Strengthen our capability to resolve cross-bureaux and cross-departmental issues relating to major infrastructure, to conduct high level public engagement, and to address strategic issues which might impede progress in the major infrastructure projects.
- Develop a strategy on manpower resources in individual sectors of the construction industry to meet the demand for the implementation of the upcoming infrastructure projects.
- Commence development of the Liantang/Heung Yuen Wai Boundary Control Point by proceeding with a detailed engineering study including design for the new control point and passenger building as well as the access road network.
- Support the further development of wine trading and distribution businesses in Hong Kong, riding on the growing demand across Asia and the wine duty exemption. Measures being pursued cover areas including customs facilitation, trade and investment promotion, manpower training and education, use of heritage buildings for wine-related purposes, combating counterfeits, and teaming up with trading partners.

- Strengthen Hong Kong-Taiwan exchanges proactively, and grasp the opportunities brought about by the enhanced cross-strait relations while maintaining Hong Kong's role on the cross-strait exchange platform.
- Further promote and expand trade, investment, tourism and other areas of economic co-operation between Hong Kong and Taiwan.
- Enhance co-operation with Macao in providing greater immigration convenience to residents traveling between the two places.
- Invigorate efforts to establish Hong Kong as a prime destination for meetings and exhibitions, and gastronomic delights, including efforts by the Hong Kong Tourism Board to enhance our position as a wine and dine centre with the launch of Michelin Guide Hong Kong and Macao, as well as to attract major international meetings and exhibitions to be staged in Hong Kong.
- Enhance the aviation weather services including windshear alerts by upgrading the meteorological facilities of the Hong Kong Observatory, in support of the rapid growth in air traffic and the Civil Aviation Department's plan to set up a new air traffic control system.
- Review the regulatory regime of the Air Transport Licensing Authority for our local airlines.
- Release radio frequency spectrum for the introduction of mobile TV services.

- Ensure the timely and smooth rollout of the CDMA2000 mobile service to strengthen Hong Kong's strategic position as a world city and the gateway between the Mainland and the world.
- Release radio frequency spectrum by auction for expansion of the existing second generation mobile services.
- Extend the application of number fee to paging and mobile virtual networks services respectively to encourage more efficient use of scarce telephone number resources.
- Examine the feasibility of introducing radio spectrum trading in Hong Kong.
- Seek to strengthen and expand existing incubation programmes to provide stronger support to infant creative industry establishments.
- Review our financial systems and the relevant preventive measures under the steer of the “Central Co-ordinating Committee on Anti-Money Laundering and Counter Financing of Terrorism” chaired by the Financial Secretary, with a view to strengthening the anti-money laundering and counter terrorist financing regime in Hong Kong.
- Review and strengthen the supervisory framework for authorized institutions in Hong Kong to further enhance the resilience of Hong Kong's banking system and reinforce our role as an international financial centre, in the light of the recommendations from the Financial Stability Forum, the Basel Committee on Banking Supervision and other international organisations charged with analysing the causes and effects of the subprime and credit market crises.

- Review the coverage and protection limit of the Deposit Protection Scheme to provide enhanced protection to depositors.
- Examine in collaboration with the industry possible options on the development of a policyholders' protection fund to improve market stability and safeguard the interest of policyholders in the event of insolvency of an insurer for wider consultation.

On-going Initiatives

We are:

- Building on our initial efforts to enhance economic ties with the emerging markets in Russia, India and the Middle East and helping our enterprises tap the growing business opportunities in these markets.
- Awaiting completion of legislative procedures by the German Government for the opening of the Economic and Trade Office in Berlin.
- 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.
- Encouraging more Mainland and overseas enterprises to invest and set up regional headquarters or offices in Hong Kong, and undertaking joint promotional efforts with the Mainland authorities to promote the combined competitive advantages offered by Hong Kong and the Mainland.
- Working closely with the Mainland authorities 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 further trade liberalisation.

- Continuing to support Hong Kong enterprises on the development and promotion of Hong Kong brands to enable them to better compete in the Mainland and overseas markets.
- Continuing to strengthen support for small and medium enterprises (SMEs) including those operating in the Mainland.
- Working closely with the trade to facilitate the latter to adapt to the Mainland's policy adjustments, to support them to upgrade, restructure and relocate their operation, to develop new markets, as well as to reflect their views to the Mainland authorities.
- Closely monitoring demand and planning for additional facilities for convention and exhibition infrastructure.
- Preparing a Competition Bill for introduction into the Legislative Council, taking account of views put forward by stakeholders with regard to the detailed provisions of the Bill, as summarised in the consultation report published on 30 September 2008.
- Continuing to promote awareness of and respect for intellectual property rights in the business sector, and to assist business, in particular SMEs, to achieve compliance with intellectual property rules.
- Following through the preparation of subsidiary legislation underpinning the "business end-user copying/distribution offence" in the Copyright (Amendment) Ordinance 2007 as well as rolling out targeted public education programmes before bringing the offence into operation.

- Continuing to consult the public on the review of copyright protection in the digital environment with a view to firming up the legislative proposals in early 2009.
- Working towards appointing, before end 2008, service providers for the provision of the post-2009 Government Electronic Trading Services concerning submission of six commonly used trade documents by traders or carriers to the Government.
- Continuing to pursue measures to facilitate the movement of people and goods across the boundary, with a view to maintaining Hong Kong's competitiveness. These include the provision of self-service immigration clearance to frequent visitors, and developing by the fourth quarter of 2009 a "Road Cargo System" that provides the electronic infrastructure for facilitating customs clearance of road cargoes as well as the movement of transshipment cargoes that involve inter-modal transfer (e.g. from land to air).
- Together with local stakeholders and Mainland tourism authorities, further advancing honest tourism, hospitality culture, and the service quality of Hong Kong tourism industry.
- Supporting the Hong Kong Tourism Board (HKTB) in its promotion of multi-destination itineraries in key source markets, and marketing effort in the emerging markets of India, the Middle East and Russia, as well as non-Guangdong provinces of the Mainland.
- Advocating measures to further facilitate visitors' entry into Hong Kong, especially enhancing the visitor-friendliness of entry facilities.

- Supporting the HKTB to launch a dedicated office “Meetings and Exhibitions Hong Kong” and continuing partnership with our local and overseas networks to promote Hong Kong as an international city, to attract large-scale MICE (meetings, incentive travels, conventions and exhibitions) events to Hong Kong and assist the hosting of such events; and in liaison with the trade and training institutions, encouraging the supply and training of talent for the MICE tourism sectors.
- Pursuing the early completion of a new cruise terminal at Kai Tak; and continuing to work closely with the Advisory Committee on Cruise Industry to enhance the development of Hong Kong into a leading cruise hub in the region for local, regional and international visitors.
- Co-ordinating efforts of Government and the tourism industry to facilitate the operation and development of major tourism infrastructure facilities, including –
 - (a) 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;
 - (b) monitoring the development of the former Marine Police Headquarters in Tsim Sha Tsui into a heritage tourism attraction, and facilitating the co-operation between the venue operator and the tourism trade in promoting and developing new tourism products;

- (c) liaising closely with the Ocean Park and relevant parties to ensure smooth implementation of the Park's redevelopment project with a view to strengthening Hong Kong's position as a premier destination in the region for family visitors;
 - (d) discussing with The Walt Disney Company further development and financial arrangement of the Hong Kong Disneyland with a view to enhancing its appeal to visitors and operational performance; and
 - (e) facilitating the smooth operation of Ngong Ping 360 and Hong Kong Wetland Park.
- Continuing to join hands with performing arts groups and travel trade partners to leverage our arts and cultural products to enrich visitors' nightlife and travel experience.
 - Finalising the arrangements for the auction of radio frequency spectrum for the introduction of Broadband Wireless Access service to be held in the first quarter of 2009.
 - Continuing to implement the 2008 Digital 21 Strategy and developing new strategic programmes and desired outcome based on the key focus areas in the Strategy, so as to harness the benefits of IT for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.
 - 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, and planning for a review of the pilot scheme in 2009.

- Preparing a new standing offer procurement arrangement for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.
- Making available a new set of standing offer procurement arrangement for data centre services by end 2008.
- Implementing a pilot e-procurement programme to handle low-value, high-volume purchases to improve internal efficiency and encourage external suppliers to adopt e-commerce.
- Strengthening support for information industries, including facilitating market access.
- Maintaining Government information security policies and practices at very high standards and ensuring their compliance. Advising public organisations and regulated sectors to do the same. Enhancing the computer emergency response centre services to strengthen the capability of information security risk management and incident handling of Hong Kong. Further promoting public awareness of information security threats and mitigation measures.
- Extending the coverage of digital terrestrial television progressively with the building of 22 supplementary transmission stations from 2009 to 2011 and studying the feasibility of making use of this opportunity to improve television reception in certain remote and less populated areas; and introducing new licence fee structure for the domestic free television programme service licensees in the light of the development of digital terrestrial television.

- Reviewing the existing arrangements for public service broadcasting, including the future of Radio Television Hong Kong and the feasibility of introducing community and public access broadcasting, and planning to extensively engage the public in mapping out future policy.
- Finalising the legislative proposal for the establishment of a new Communications Authority to enhance regulatory co-ordination and efficiency and facilitate further development of the electronic communications industry.
- Promoting applied research and development and technology transfer to the industry through implementing the strategic framework for innovation and technology development.
- Enhancing collaboration in science and technology with the Mainland at different levels and promoting interflow of technology talent with Mainland cities such as Beijing, Shanghai, Chongqing and Pan-Pearl River Delta (PRD) Region.
- Continuing with the construction works for the Central Government Complex, Legislative Council Complex and open space development at the Tamar site with a view to completing the works by 2011.

- Carrying out the planning and engineering study on the “Three-in-One” New Development Area (NDA) comprising Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling, with a view to providing housing land and meeting other land use requirements in the future, and conducting a preliminary study on the implications of the planned and existing railway infrastructures in North West New Territories for input into the upcoming Hung Shui Kiu (HSK) NDA study. We aim to complete the “Three-in-One” NDA and HSK NDA studies by 2011 and 2012 respectively.
- Co-operating closely with the Shenzhen Municipal Government through the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” in jointly exploring the optimal land uses of the Lok Ma Chau Loop to the mutual benefits of both sides, and steering further research and planning work on other cross-boundary development issues like border crossings and the development of the boundary areas.
- Undertaking the necessary legislative and administrative measures with a view to reducing the coverage of the Frontier Closed Area and examining the potential uses of the land to be released from the Area.
- Pressing ahead with the implementation of mega projects essential to Hong Kong’s economic development, such as the Kai Tak Development through close supervision at a high level.
- Continuing to work closely with the Construction Industry Council (CIC) to pursue initiatives for improving the standards of the construction industry, in particular on promoting construction site safety.

- Continuing with the comprehensive review of the manpower situation in the construction industry in collaboration with CIC.
- Working closely with the Construction Workers Registration Authority to facilitate registration of construction workers and implementation of prohibition in phases.
- Strengthening collaboration with the Mainland authorities to assist the local construction industry in exploring business prospects and pursuing mutual recognition of professional qualifications under the CEPA, and with Mainland cities in the secondment of graduate trainees to encourage exchange of talent and enhance co-operation.
- Refining the Land Titles Ordinance in consultation with stakeholders with an aim to introducing amendments to the Ordinance and the supporting regulations into the Legislative Council as early as possible.
- Progressively implementing the proposals in the Revised Concept Plan for Lantau to realise the vision for balanced and co-ordinated development of Lantau.
- Monitoring the pilot scheme of including “hotel use only” sites in the Application List to encourage the development of hotels to support our tourism industry.

- Continuing to work closely with the arts sector to strengthen our cultural software and human resources in preparation for the WKCD. We have enhanced our funding support to the performing arts groups in 2007-08 to launch more arts education and audience building initiatives. The Leisure and Cultural Services Department has also strengthened their arts education and audience building work.
- Assisting the WKCD Authority to press ahead with the preparation of the development plan for the WKCD and other strategic matters to bring the operation of the Authority into full swing.
- Proceeding actively with the investigation and preliminary design study of the proposed Tuen Mun-Chek Lap Kok Link and Tuen Mun Western Bypass.
- Overseeing the construction for the improvement of the expressway section of Tuen Mun Road and finalising the preparatory work for the widening of the town centre section.
- Studying in conjunction with the Airport Authority the engineering and environmental feasibility of building a new runway at the Hong Kong International Airport.
- Improving air traffic management through the establishment of a new air route to cater for flights between Hong Kong and the eastern part of the Mainland and the implementation of the recommendations of a study to increase our runway capacity by improving the existing infrastructure of the Hong Kong International Airport, air traffic control and flight procedures.

- Continuing to foster closer co-operation between the Hong Kong International Airport and Shenzhen Airport and pressing ahead with the study on the feasibility of establishing a direct rail link between them with a view to completing the study in 2008.
- Promoting ship finance in Hong Kong.
- Reviewing the demand for air services from time to time and continuing to formulate appropriate development strategies to support the continued growth and development of the civil aviation industry.
- Continuing to assist the Airport Authority to expand inter-modal connections to strengthen the links between the Hong Kong International Airport and the PRD Region.
- Replacing the Civil Aviation Department's (CAD) air traffic control system and developing a new CAD Headquarters on the Airport Island to support the long-term growth of the aviation industry.
- Implementing measures to enhance the competitiveness of the Hong Kong Port.
- 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.
- Finalising the detailed feasibility study on the Lantau Logistics Park project to fulfil the statutory requirements for the zoning and reclamation of the site for the Park.

- Finalising details of the financing arrangements for the Main Bridge of the Hong Kong-Zhuhai-Macao Bridge with a view to submitting the Feasibility Study Report for the Central Government's approval and tendering out the preliminary design work of the Main Bridge as soon as possible. As regards works within Hong Kong, we are finalising the investigation and preliminary design study for the Boundary Crossing Facilities and preferred alignment of the Link Road, and commencing the related statutory procedures.
- Pursuing vigorously the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, so that its design and planning will be completed within 2008 for construction to start next year.
- Finalising the gazetted scheme of the West Island Line with a view to commencing construction in 2009.
- Continuing with the planning and design of the Shatin to Central Link and the Kwun Tong Line Extension with a view to commencing construction in 2010.
- Continuing with the planning and design of the South Island Line (East) with a view to commencing construction in 2011.
- Continuing to pursue the planning of the Northern Link in conjunction with the planned developments in the New Territories.
- Continuing to monitor the progress of the Kowloon Southern Link for timely commissioning in late 2009.
- Disposing of surplus Home Ownership Scheme flats in a smooth and orderly manner.

- Exploring further opportunities for the legal profession to tap into the Mainland legal services under CEPA and strengthening co-operation between the legal professions in Hong Kong and the Mainland.
- Promoting the development of Hong Kong as a regional centre for legal services and dispute resolution.
- Finalising legislation to reform the law of Arbitration to provide for the unification of legal regimes for domestic and international arbitration and make both the law and the process more user-friendly.
- Reviewing the findings of the consultants' report on the supply of, and demand for, legal services in the community and considering the way forward in the light of the recommendations made in the report.
- Continuing to advance financial co-operation with the Mainland and develop a mutually-assisting, complementary and interactive relationship between the financial systems of the two places, which includes seeking for the expansion of the presence of Hong Kong financial institutions on the Mainland; encouraging Mainland funds, investors and financial institutions to go overseas through Hong Kong; strengthening the links of the financial markets in Hong Kong and the Mainland; continuing to expand the Renminbi business in Hong Kong; and enhancing the financial infrastructural links between Hong Kong and the Mainland.

- Continuing to strengthen Hong Kong-Guangdong financial services co-operative relationships under the framework of Hong Kong/Guangdong Co-operation Joint Conference.
- Seeking to broaden the source of corporations using Hong Kong as a platform for listing with a view to facilitating and attracting listings of quality overseas companies. The framework for issuers to list in Hong Kong through Hong Kong depositary receipts has become effective since July 2008.
- Promoting the development of an Islamic sukuk market in Hong Kong by taking forward a review of the tax regime to accommodate Islamic sukuk transactions in our conventional systems.
- Promoting Hong Kong's asset management industry with a view to enhancing Hong Kong's position as a major asset management centre in Asia.
- Promoting bond market development. Legislative amendments to the Companies Ordinance have been effected with a view to modernising the regime for public equity and debt offerings. The Hong Kong Monetary Authority will continue to enhance the Exchange Fund Bills and Notes Programme by suitably adjusting the maturity profiles of the Exchange Fund Bills and Notes and promoting the use of the electronic trading platform for the Exchange Fund Bills and Notes.
- Promoting the quality of our financial markets through enhancing the regulatory regime and fostering good corporate governance practices, having regard to the latest development of the financial markets in Hong Kong and around the world.

- 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.
- Reviewing the provisions in the Trustee Ordinance with a view to strengthening the competitiveness of Hong Kong's trust services industry and enhancing Hong Kong's position as an international financial centre.

Chapter 2

Quality City And Quality Life

Preamble

The concept of “Progressive Development” advocated by the Chief Executive is to develop a quality city life by striking a balance between economic development and environmental conservation. Last year the Government made substantial progress in implementing environmental protection initiatives and relevant legislative work was completed on schedule. Environmental protection is a long-term continuing commitment. The Government will strive to promote regional co-operation to improve air quality within the region, and develop the Pearl River Delta (PRD) Region into a green and quality living area. Global warming is an international concern. We will prepare for this challenge with early planning. In particular, we will enhance energy efficiency and promote a low carbon economy — an economy based on low energy consumption and pollution.

For heritage conservation, there is a community-wide consensus that we should revitalise historic buildings. We will continue our efforts in beautifying the coasts of the Victoria Harbour by turning it into a landmark to be enjoyed by our people and visitors alike.

New Initiatives

We will:

- Introduce a Bill to amend the Public Health and Municipal Services Ordinance to empower the authorities to where necessary issue orders to prohibit the import and sale of problem food and order a recall of problem food.
- Work with the Guangdong authorities to formulate a strategy to transform the PRD Region into a green and quality living area.
- Reserve \$150 million and \$300 million under the Environment and Conservation Fund to subsidise building owners in carrying out energy-cum-carbon audits, and energy efficiency projects respectively.
- Engage the business sector to conduct carbon audit for over 100 buildings in the coming year.
- Extend the existing Hong Kong Awards for Environmental Excellence to recognise carbon reduction efforts.
- Promote environmental protection and energy conservation in government buildings to further encourage energy conservation, including setting targets in various environmental aspects for new government buildings.

- Demonstrate state-of-the-art energy efficient designs and technologies by means of a government building and an educational building under planning as energy efficiency demonstration projects.
- Implement a district cooling system to meet the demand of air-conditioning for public and private non-domestic developments at Kai Tak Development.
- Commence a study on phasing out incandescent light bulbs and replacing them with more energy-efficient lighting products and whether to introduce a statutory restriction on the sale of incandescent light bulbs.
- Study the issue of energy wastage of external lighting, and assess the feasibility of regulating external lighting by legislation.
- Study to control the emissions of off-road mobile sources operating within the airport and container terminals.
- Study the technical feasibility of local ferries using ultra-low sulphur diesel.
- Accelerate the phasing out of hydrochlorofluorocarbons to meet the new phasing out schedule agreed by the Montreal Protocol in September 2007.
- Extend the control of the Air Pollution Control (Volatile Organic Compounds) Regulation to limit the contents of volatile organic compounds in adhesives, sealants, vehicle refinishing paints and marine vessels paints.

- Devise a Producer Responsibility Scheme for used electrical and electronic equipment to enhance their recovery and recycling, with a view to consulting the public on possible mandatory options.
- Consider establishing geological park in Hong Kong, so as to preserve Hong Kong's unique and valuable geological resources.
- Ban commercial fishing in marine parks. The ban will improve ecosystems in marine parks and offer better protection for marine organisms.
- Strengthen our work on harbourfront enhancement and the implementation of harbourfront enhancement initiatives.
- Consult the public on the conservation and revitalisation of the original site of the Central School (i.e. the Former Police Married Quarters Site on Hollywood Road) for educational use and promotion of creative industries that will best reflect the historical significance of the Site and complement the characteristics of the Hollywood Road area.
- Conduct a review on the policy for the provision of public facilities in private developments.
- Consult the public on appropriate measures to be taken to reduce the bulk of buildings and to foster development of a better and more sustainable built environment.
- Commence the mid-term review of the domestic free television programme service licences with a view to gauging the public feedback on the analogue and digital services provided by the licensees.

- Revitalise the market for Hong Kong films in South East Asia including Taiwan, Singapore and Malaysia.
- Commence reviewing the operation of the Film Development Fund.
- Support, through the Film Development Fund, a project to incorporate animation in the visual arts education curriculum to develop secondary school students' appreciation of animation and filming skills as well as creativity.
- Engage our creative industry in our participation in the Urban Best Practices Area Exhibition of the Shanghai Expo to be held in 2010 and to issue the related tenders.
- Capitalise on the public enthusiasm for the Beijing 2008 Olympic Games to promote "Sports for all" through a number of measures, including –
 - (a) working more closely with the District Councils and National Sports Associations to introduce more sports programmes to suit the needs of people of different age groups;
 - (b) liaising with the business sector to sponsor more underprivileged groups to attend major sports events as spectators and participants in side programmes;
 - (c) strengthening the promotion of major sports events both locally and overseas with a view to further stimulating public participation as spectators and supporters and promoting Hong Kong as an events capital; and

- (d) establishing a more effective feeder system for early identification of young potential athletes.
- Provide additional funding to the small- and medium-sized performing arts groups to support their use of non-Leisure and Cultural Services Department venues to enrich the cultural life across the districts and to usher in a more vibrant and lively arts scene prior to the coming on-stream of the West Kowloon Cultural District (WKCD) facilities.
 - At the district level, launch specially curated entertainment programmes, community cultural events, student performances, etc. through the Leisure and Cultural Services Department for audience development and arts education to further develop the local cultural software fabric.
 - Provide funding support for the Hong Kong Maritime Museum's relocation to the Central Pier 8 in order to establish a larger-scale and more representative maritime museum for Hong Kong. We should have a maritime museum that is commensurate with Hong Kong's standing as an international port city for over a century and as a regional cultural hub.
 - Work closely with the WKCD Authority to develop the arts and cultural facilities in the WKCD, at the same time provide a variety of good quality arts and cultural activities as early as possible, and broaden Hong Kong's exchanges with other places in contemporary art and performing arts, so as to enrich people's cultural life.

- Organise the Asia Cultural Co-operation Forum in 2009 to foster partnership between Governments in the Asian region and enhance Hong Kong's position as the cultural and creative hub of Asia.

On-going Initiatives

We are:

- Continuing our preparation for participation in the Shanghai Expo 2010 to showcase HKSAR's unique strengths, quality city life and position as a creative capital.
- Promoting a culture of innovation, technology and design to the general public, particularly the younger generation to support the development of creative industry.
- Implementing the DesignSmart Initiative to promote wider use of design and innovation in industries to help them move up the value chain.
- Promoting Hong Kong design and encouraging the use of design to add value to our goods and services and Government's interface with the public, through enhanced support for the Hong Kong Design Centre.
- Promoting the development of the film industry through implementing recommendations from the Film Development Council.
- Continuing to strengthen the elements of design and creativity in the areas of teacher professional development programmes, learning and teaching resources, student learning experiences and student assessment so as to enhance primary and secondary students' creativity.

- Continuing our support for initiatives to nurture creative talent. We have facilitated the successful commissioning of the Jockey Club Creative Arts Centre in March 2008 to provide creative arts space for artists.
- Continuing the Brand Hong Kong review, with emphasis on public engagement so as to foster a vision for the future of Hong Kong and values that will be shared and owned by the community. A marketing strategy will be worked out to promote the updated Brand in the region and internationally.
- Planning the launching of the second batch of buildings under the “Revitalising Historic Buildings Through Partnership Scheme” so that more historic buildings can be put into adaptive re-use through the operation of social enterprises by non-governmental organisations.
- Exploring various options of making best use of historic buildings with commercial potential.
- Taking forward the conservation and revitalisation of the Central Police Station, Victoria Prison and the former Central Magistracy Compound in partnership with the Hong Kong Jockey Club.
- Putting in place appropriate measures to provide financial assistance to owners in maintaining their privately-owned graded historic buildings.
- Continuing with the development of a comprehensive cycle track network in the New Territories to improve the quality of living.

- Pressing ahead with the detailed design and construction works for the comprehensive water mains replacement and rehabilitation programme.
- Continuing to achieve the objective of decking and/or landscaping 16 sections of nullahs by 2014 to improve the living environment.
- Firming up options for the improvement of the Yuen Long Town Nullah to enhance the local environment quality and the ecological value of the nullah.
- Taking forward the reprovisioning of the Sha Tin Water Treatment Works in stages with a view to minimising the risk of disruption of water supply to the public during reprovisioning.
- Continuing to promote the wider use of energy efficient devices and adoption of renewable energy systems in public works projects.
- Completing the development of Greening Master Plans (GMPs) for remaining urban areas and start the greening works by end-2009. Thereafter, we will move onto the preparation of GMPs for the New Territories.
- Developing a performance-based regulatory system to facilitate modern and innovative building design.
- Preparing the relevant subsidiary legislation for a minor works control system in accordance with the Buildings (Amendment) Ordinance 2008. We will implement the 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 as early as possible.

- Proceeding with drafting 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 for introduction into Legislative Council as early as possible.
- Working closely with the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) 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.
- Implementing the flood prevention programme to enhance the protection level in flood prone areas, including a review of the Drainage Master Plans for northern and northwestern New Territories.
- Continuing with the Landslip Preventive Measures Programme to improve slope safety and visual impact of the built environment. We will upgrade another selected batch of 250 substandard Government man-made slopes and conduct safety-screening for another 300 private man-made slopes in the coming year.
- Proceeding with the preparatory work for the Landslip Prevention and Mitigation Programme to dovetail with the current 2000-2010 Landslip Preventive Measures Programme.
- Collaborating closely with the URA and the HKHS in area improvement schemes to preserve local characteristics.

- Continuing to stipulate in all outline zoning plans clear development restrictions on plot ratio/gross floor area, site coverage and/or building height where justified to improve the living environment.
- Engaging the local community in finalising the revised schemes of property development projects of a reduced development intensity at Nam Cheong and Yuen Long Stations along the West Rail.
- Ensuring that our planning, land use and urban design are in line with our stated mission to protect the Victoria Harbour and enhance it for the enjoyment of our residents and visitors alike, with the participation of the community.
- Conducting a review of the Urban Renewal Strategy to ensure that it will continue to reflect the values and priorities of the community. We aim to complete the review in mid-2010.
- Making preparation for the legislation for the mandatory compliance with the Building Energy Codes to improve energy efficiency and conservation in new and existing buildings.
- Implementing the first phase of the Mandatory Energy Efficiency Labelling Scheme, and making preparation for the amendments to the Energy Efficiency (Labelling of Products) Ordinance for the second phase of the scheme.
- Continuing to monitor the progress of the two power companies in developing commercial-scale wind energy projects.

- Tightening progressively the caps on the total emissions of power companies according to the Air Pollution Control Ordinance, and requiring them to maximise the use of natural gas in power generation.
- Continuing with the implementation of the Regional Air Quality Management Plan together with the Guangdong Provincial Government to reduce the emission of four major air pollutants in the PRD with a view to achieving the joint emission reduction targets.
- Continuing to implement the five-year “Cleaner Production Partnership Programme” launched in April 2008 to provide professional and technical support by Hong Kong Productivity Council to Hong Kong-owned factories in the PRD Region to adopt cleaner production technologies and practices in order to reduce emissions and enhance energy efficiency, and thereby further improve regional air quality.
- Continuing to tighten vehicle emission and fuel standards in tandem with the EU.
- Developing a proposal for stakeholder consultation with a view to strengthening the control of emissions from petrol and Liquefied Petroleum Gas vehicles, including the use of roadside remote sensing equipment and dynamometers for emission testing.
- Formulating a regulatory framework for implementing a statutory ban on idling engines in the light of the views received during the public consultation, with a view to introducing the new legislation to the Legislative Council in 2009.

- Providing incentives to encourage owners of pre-Euro and Euro I diesel commercial vehicles to replace their old vehicles with those complying with the prevalent emission requirements for newly registered vehicles, including extension of the deadline for owners of pre-Euro diesel commercial vehicles to apply for the one-off grant from 30 September 2008 to 31 March 2010 (which is the same as that for Euro I diesel commercial vehicles), and considering the option of increasing the licence fees for old commercial vehicles so as to accelerate their retirement.
- Encouraging the use of environment-friendly private petrol cars and commercial vehicles by reduction in first registration tax.
- Making Euro V diesel, a more environmental-friendly fuel with 80% less sulphur content than ultra low sulphur diesel, the statutory standard in 2009.
- Promoting the use of biodiesel by committing to a duty-free policy and developing specifications on its use as motor vehicle fuel.
- Implementing the Air Pollution Control (Fuel Restriction) (Amendment) Regulation 2008 from 1 October 2008 to mandate all industrial and commercial processes to use ultra-low sulphur diesel.

- Completing the comprehensive study to review Hong Kong's Air Quality Objectives and develop a long-term strategy on air quality management, followed by extensive public consultation and engagement. Based on the initial findings of the review, we will consider adopting Interim Target 1 of the Air Quality Guidelines released by the World Health Organization as Hong Kong's new Air Quality Objectives.
- Undertaking a comprehensive consultancy study on climate change to assess its impact on Hong Kong and recommend suitable strategies to enhance further our existing adaptation and mitigation measures.
- Continuing to implement the initiatives in "A Policy Framework for the Management of Municipal Solid Waste in Hong Kong (2005-2014)" by –
 - (a) extending the territory-wide source separation of waste programme to promote waste recovery both at home and at work;
 - (b) implementing the amended Building (Refuse Storage and Material Recovery Chambers and Refuse Chutes) Regulations requiring the provision of a refuse storage and recovery room on each floor of new residential buildings;
 - (c) monitoring the operation of Phase 1 of EcoPark;
 - (d) conducting baseline survey and planning for consultation on options for municipal solid waste charging;

- (e) implementing the landfill extension schemes upon completion of feasibility and environmental impact assessment studies; and
 - (f) carrying out of feasibility and environmental impact assessment studies for the Integrated Waste Management Facilities.
- Implementing an environmental levy on plastic shopping bags, as the first mandatory Producer Responsibility Scheme under the Product Eco-responsibility Ordinance, with a view to reducing their indiscriminate use.
 - Upgrading the Chemical Waste Treatment Centre in 2009-10 to meet the latest air-emission standards of the EU.
 - Continuing to carry out detailed planning work for the development of sludge treatment facility to avoid the disposal of large amount of sewage sludge at landfills.
 - Continuing to deliver inert construction and demolition materials to the Mainland for reclamation purposes. We will liaise with the Mainland authorities to identify more possible sites for their reuse.
 - Advancing the disinfection of the wastewater from Stage 1 of the Harbour Area Treatment Scheme to 2009 while implementing Stage 2 in phases with the aim of completing Stage 2A within 2014. Based on the results of a review in 2010-11, we will decide on the timing for building the biological treatment plant under Stage 2B.

- 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.
- 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.
- Recommending the Environment and Conservation Fund to support projects in the following new areas in order to further promote public awareness on environmental protection and strengthen international and regional collaboration to address environmental challenges –
 - (a) support greening projects for schools, community buildings and charitable organisations;
 - (b) support energy audits and installation projects for buildings to promote energy conservation. We will invite suitable organisations (namely NGOs, professional organisations, universities, etc.) to develop and implement energy conservation projects for selected buildings, elderly homes, etc;
 - (c) extend the funding of the source separation of waste programme to commercial buildings. We will also set aside money for the Environmental Campaign Committee for funding the provision of recycling bins to schools and estates to further improve waste recycling in the community;

- (d) we will set aside \$50 million to support projects from the District Councils and community groups to implement district-based projects on greening, energy efficient installation and waste reduction; and
 - (e) support projects in conserving and enhancing the biodiversity of ecologically important sites.
- Introducing a Food Safety Bill to provide for new food safety control tools. The Bill will include a mandatory registration scheme for food importers and distributors, enhanced food traceability measures and tightened controls for imported food.
 - Introducing legislation to provide for a set of comprehensive and clear food safety standards for pesticide residues and veterinary drug residues in food that meet Hong Kong's needs.
 - Continuing the programme to convert all aqua privies into flushing toilets in phases by 2012-13.
 - Tightening up the regulatory framework for poultry and animals for the purpose of enhancing public health and food safety.
 - Formulating measures to promote sustainable development of the fishing industry and to conserve fisheries resources in Hong Kong waters.
 - Introducing legislation to control the abstraction of seawater from the coastal waters for keeping live seafood to enhance food safety.
 - Reviewing proposals on the regulation of restricted dining places to safeguard public health.

- Exploring 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.
- 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 enrich cultural and recreational facilities taking into account community needs, including the implementation of suitable projects of the former Urban Council and Regional Council.
- Continuing to pursue the planning of the development of a Multi-purpose Stadium Complex in Kai Tak, including firming up the project scope and carrying out the technical feasibility study for the project.
- Encouraging the business sector to support the National Sports Associations in organising international major sports events in order to strengthen Hong Kong's position as the sports events capital in Asia.
- Identifying and designating support for "up-and-coming" sports, so as to enhance Hong Kong's medal hope in the international sports arena.
- Continuing to work with stakeholders on measures to further enhance the support to elite athletes as they prepare for the participation in the 2010 Asian Games and the 2012 Olympic Games.

- Continuing to facilitate the re-development of the Hong Kong Sports Institute in order to provide world-class training facilities for local athletes.
- Developing and implementing a holistic strategy to promote wider participation in sports by people of all age groups.
- Making preparation in full gear for the 5th East Asian Games in 2009. Collaborating with the sports sector to provide competition venues of international standards, encourage community involvement in sports activities and the Games, thereby enhancing our sporting culture.
- Planning and organising the 10th meeting of the Greater Pearl River Delta Co-operation Forum in Hong Kong in early 2009 to continue our efforts to build the regional cultural network in the PRD.
- Supporting the Hong Kong Arts Development Council in establishing the first Hong Kong Arts Community Fund to garner public and corporate support for culture and the arts.
- Devoting attention to the preservation and development of Cantonese opera as a local indigenous art form, and facilitating the promotion of major arts and cultural events and festivals in Hong Kong, so as to highlight our status as an international city.
- Implementing the recommendations of the Committee on Performing Arts with a view to enhancing the operation and management of cultural services and venues, rationalising the use of existing performance venues through the venue partnership scheme and identifying alternative arts venues to address the venue shortage problem.

- Implementing the recommendations of the Committee on Museums through various improvement measures with a view to enhancing the management and operation of public museums.
- Formulating strategies and measures for the development of library facilities and services to achieve the broader cultural mission of the Hong Kong Public Libraries.
- Commissioning an agency to compile a comprehensive inventory of Hong Kong's intangible cultural heritage in accordance with the requirement of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Convention for the Safeguarding of the Intangible Cultural Heritage with a view to strengthening their preservation and promotion in Hong Kong.
- Conducting more publicity to encourage owners' corporations to procure third party risks insurance as soon as possible for the benefit of property owners.
- Continuing the study on long-term options for better meeting demands for emergency ambulance services.
- 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 as appropriate the adoption of environment-friendly measures 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.

- 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.
- Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources.

Chapter 3

Investing for a Caring Society

Preamble

Hong Kong's economy has seen an upturn in recent years. But the opportunities to share the fruits of prosperity vary among different sectors. This has given rise to concerns about the widening wealth gap, which has been made worse as the grassroots are hard hit by inflation. We will try our best to alleviate the difficulties faced by our local population and continue to enhance the competitiveness of the grassroots through education and retraining. We will also safeguard the well-being of workers at the grassroots level and seek to forestall the phenomenon of excessively low wage through a statutory minimum wage. As regards the disadvantaged, they need support from the Government. In particular, as Hong Kong is moving towards an ageing society, we have to provide better support to the elderly in need. The family is the mainstay of society. The Government attaches great importance to tackling the problem of domestic violence. We will strengthen the direct services and support for victims of domestic violence and families in need. The Government will also enhance child care support at the community level. We will continue to develop professional services for persons with disabilities to cater for their needs at different stages of their lives.

New Initiatives

We will:

- Further strengthen the direct services and support for victims of domestic violence and families in need, including intensifying manpower support in the Family and Child Protective Service Units and Clinical Psychology Units, further developing the batterer intervention programme, enhancing support for various refuge and crisis centres, and continuing to strengthen public education.
- Provide additional places for rehabilitation services for persons with disabilities.
- Enhance medical social services for persons with mental health problems and chronic illness.
- Provide additional subsidised residential care places for frail elders through the Enhanced Bought Place Scheme, in addition to those to be provided in new contract homes to meet growing demand.
- Provide additional subsidised day care places and enhance the service capacity of subsidised home-based services for frail elders to support “ageing in the community”.
- Enhance the care for infirm and demented elders in Residential Care Homes for the Elderly.
- Extend the District-based Trial Scheme on Carer Training to cover all District Elderly Community Centres in the territory so as to further strengthen the support to carers of elders.

- Complete the review on Old Age Allowance and implement the recommendations as soon as possible.
- Prepare for legislative amendments to enhance the enforcement of Labour Tribunal awards.
- Introduce a bill on statutory minimum wage into the Legislative Council in the 2008-09 legislative session.
- Improve the statutory compensation for persons with occupational deafness under the Occupational Deafness (Compensation) Ordinance.
- Promote the occupational safety and health performance of renovation and maintenance works through launching a publicity and promotional campaign to heighten safety awareness of people engaged in such works and stepping up enforcement to ensure compliance with relevant legislation.
- Review the existing consumer protection legislation in the light of the recommendations by the Consumer Council with a view to better protecting consumer rights and combating misleading and undesirable sales practices, and consult the public on the way forward in the first half of 2009.

- Spearhead a pilot scheme in setting up district cyber centres to enable children from low income families and other needy local residents to gain access to the rich pool of information and knowledge in the cyber space. This aims to facilitate the upward mobility of the underprivileged groups through enhancing their literacy in information technology, and enhance social integration at the localities. We will encourage a tripartite partnership amongst the Government, community organisations and private sector in establishing and managing the centres, and to enable enterprises to fulfil their social responsibilities by showing care to the disadvantaged.
- Install as far as practicable lifts/escalators connecting common areas in hillside public housing estates and lifts in low-rise public housing blocks without lifts to facilitate access of residents.
- Establish an assessment system on the provision of hillside escalator links and elevator systems.
- Co-ordinate cross-bureaux efforts in the post-quake reconstruction support work in Sichuan and follow through the first stage of HKSAR's work plan, following Legislative Council's approval in July 2008 to inject \$2 billion into the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas.
- Review the Personal Data (Privacy) Ordinance to examine whether the Ordinance can afford adequate protection to personal data having regard to developments, including advancement in technology, in the last decade, and consult the public on our review findings.

- Consider how the relevant parties could be consulted on the recommendations of the Law Reform Commission on stalking.

On-going Initiatives

We are:

- Continuing our work on the promotion of human rights.
- Implementing the Race Discrimination Ordinance, establishing four support service centres for ethnic minorities and implementing other measures to promote racial equality.
- 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.
- Together with stakeholders, encouraging further development of social enterprises to help enhance the employability of the able-bodied unemployed. Reinforcing the district-based approach in alleviating poverty through implementing the Enhancing Self-Reliance Through District Partnership Programme and other district co-ordination work.
- Working closely with the Family Council to promote family core values and family education, to study and address problems from a family perspective, and to create a pro-family environment and foster work-life balance.

- Identifying appropriate land uses for Area 112 and Area 115 of Tin Shui Wai to promote the economic and social development of the area, and to bring more employment opportunities to its residents.
- Implementing the relaxation measures under the Transport Support Scheme to encourage needy unemployed and low-income employees living in designated remote districts to find jobs and stay in employment.
- Undertaking a review of the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme to enhance the effectiveness of training and employment support rendered to young people aged 15 to 24.
- Continuing with the review on the definition of continuous employment under the Employment Ordinance having regard to recent developments in the labour market, and consulting stakeholders in the process.
- Continuing enforcement action against wage offences.
- Further promoting family-friendly employment practices to employers with a view to encouraging wider adoption of such practices in the workplace.
- Continuing with intelligence-based and proactive strategy in combating illegal employment.
- Co-ordinating efforts across the Government in poverty alleviation through the Task Force on Poverty and monitoring overall progress.

- Studying how best to put in place a “one-stop” employment service through streamlining, integrating and enhancing existing employment and training/retraining services of the Labour Department, Social Welfare Department and Employees Retraining Board (ERB). ERB’s new Training cum Employment Resource Centre has commenced full operation in early October 2008 to try out a “one-stop” model. The aim is to better assist the unemployed and realise the objective of “from welfare to self-reliance”.
- Implementing the Child Development Fund pioneer projects to try out a new model to encourage children from a disadvantaged background to plan for the future and cultivate positive attitudes with a view to reducing inter-generational poverty.
- Encouraging and helping able-bodied Comprehensive Social Security Assistance (CSSA) recipients to become self-reliant.
- 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 the Capacity Building Mileage Programme, and public education.
- Continuing to apply the Gender Mainstreaming Checklist or the concept in different policy areas progressively, and working with the Women’s Commission to further promote gender mainstreaming.
- Studying long-term social welfare planning.
- Implementing the anti-violence programme for abusers, and continuing with the batterer intervention programme following completion of the pilot.

- Continuing to prevent and tackle domestic violence through public education and enhanced training for related professionals.
- Implementing the pilot project on Child Fatality Review.
- Monitoring the implementation of the Domestic Violence (Amendment) Ordinance 2008 and introducing further amendments to the Ordinance on the types of cohabitants.
- Enhancing transport services for persons with disabilities through improvements to rebus service, and examining ways of further improving accessibility of transport services.
- Continuing to provide services and support for persons with disabilities and their families/carers through the enhancement of district-based community support services.
- Promoting active ageing to encourage elders to lead a fruitful life.
- Upgrading subvented residential care places to provide long-term care for frail elders to meet the growing care needs of elders.
- Continuing with outreaching efforts of elderly centres to singleton and hidden elders to help them develop social life, and strengthening the referral, counselling and support services to elders in need.
- Providing integrated support services to both elderly hospital discharges who have difficulty taking care of themselves and their carers through the Integrated Discharge Support Trial Programme for Elderly Patients.

- Helping needy elders who live in dilapidated homes to improve their home conditions through the Home Environment Improvement Scheme for the Elderly.
- Training additional Enrolled Nurses for the welfare sector.
- Studying the long-term planning for subsidised residential care services for the elderly through a consultancy study led by the Elderly Commission.
- Promoting flexible child care services to meet the varying needs of families.
- Completing the strategic review on the future directions of the ERB to enhance our training and retraining services and implementing in phases the final proposals. The eligibility criteria of the Employees Retraining Scheme were relaxed in December 2007 to cover young people aged between 15 and 29 and people with education level at sub-degree or below.
- Encouraging schools to collaborate with non-governmental organisations in providing school-based after-school learning and support services for needy students.
- Maintaining supply of public rental housing (PRH) for needy applicants with an average waiting time of around three years.
- Preparing for the conduct of the first rent review of PRH under the new rent adjustment mechanism in 2010.
- Implementing a set of enhanced public housing arrangements to promote mutual family support and care for the elderly.

- Facilitating the implementation of an elderly housing project by the Hong Kong Housing Society on Tanner Road, North Point.
- Exploring ways to leave wealth with people where affordable.
- Implementing a series of initial measures that can be put in place in the short to medium term and formulating long-term, holistic and sustainable policies and measures to tackle the youth drug abuse problem, following the steer of the Task Force on Youth Drug Abuse led by the Secretary for Justice.
- Mapping out how mediation can be more effectively and extensively applied in both commercial disputes and at the community level, with the assistance of a Working Group on Mediation chaired by the Secretary for Justice.

Chapter 4

Optimising Our Demographic Structure And Attracting Talent

Preamble

Hong Kong is facing the challenge of an ageing population. The proportion of elderly population in Hong Kong will rise rapidly over the next two decades, at a rate much faster than most other advanced economies. This will have a far-reaching impact on the economy, healthcare, welfare, retirement protection, education and public finance. We need to prepare for this challenge.

We need to continue enhancing the quality and competitiveness of our population in order to meet the challenges of a knowledge-based economy. To this end, we will continue to devote substantial resources in education, vigorously develop retraining services and facilitate the entry and stay of non-local talent.

We also need a healthcare system that can cater for the changing demographic structure, increasing healthcare needs and rising health expenditure. The Government is embarking on a comprehensive healthcare reform which includes: enhancing primary care services to improve the population's health, promoting healthy development of the healthcare market through public-private partnership, developing

electronic health record sharing to provide essential infrastructure for the healthcare system, strengthening the public healthcare safety net for the protection of the under-privileged, increasing the capacity of the healthcare system, and addressing the long-term sustainability of financing for healthcare.

Following the public consultation on healthcare reform and financing in early 2008 based on the Healthcare Reform Consultation Document “Your Health, Your Life”, the Government aims to put forward more concrete proposals and launch the second stage public consultation in 2009 in order to deepen the discussion and galvanise consensus. In response to the public expectation to improve healthcare services, we will devote resources to take forward a series of measures, before healthcare financing arrangements are finalised for implementation, in order to enhance healthcare services and implement reforms. However, the sustainable development of the healthcare system requires resolution of the healthcare financing problem.

New Initiatives

We will:

- In accordance with the direction of the healthcare reform, before the healthcare financing arrangements are finalised for implementation, make use of the increased government funding for healthcare to strengthen existing healthcare services and to start implementing various service reforms, including the new initiatives set out below –
 - (a) Strengthen healthcare support for chronic diseases, in order to facilitate early detection, prevention and treatment, educate patients and their carers, encourage need- and risk-based proactive care for secondary prevention, and provide early prevention and intervention of complications to reduce need for hospitalisation. To this end, we will on a pilot basis –
 - (i) introduce a comprehensive multi-disciplinary risk assessment and targeted management programme to support preventive care for chronic diseases by public clinics and private family doctors;
 - (ii) develop and launch a pilot patient empowerment programme in collaboration with non-governmental organisations (NGOs) to support the education of chronic disease patients under the care of either public clinics or private family doctors; and

- (iii) set up pilot multi-disciplinary teams comprising nurses and allied health practitioners at specific General Out-Patient Clinics to co-ordinate delivery of integrated care for chronic disease patients;
- (b) Enhance healthcare services for specific groups of patients through public-private partnership in order to increase service volume, reduce waiting time, offer additional choices for patients, and enhance cost-effectiveness of public healthcare services. To this end, we will on a pilot basis –
 - (i) purchase services from private practitioners as an additional choice for patients currently under the care of public Specialist Out-patient Clinics;
 - (ii) purchase Haemodialysis service from centres managed by the private sector for end stage renal disease patients currently under the care of public hospitals; and
 - (iii) expand the pilot project to purchase primary care services from private sector for specific groups of patients under the care of public General Out-Patient Clinics;
- (c) Set up a dedicated office under the Food and Health Bureau to co-ordinate the development of a territory-wide patient-oriented electronic health record system for sharing medical records of patients between healthcare providers subject to the patients' consent, which provides a pivotal infrastructure for implementing healthcare reform;
- (d) Build a hospital in Tin Shui Wai to strengthen medical services in the district; and

- (e) Update the Childhood Immunisation Programme by introducing the pneumococcal conjugate vaccine into it to enhance primary health services and disease prevention.
- Strengthen investment in our research and development (R&D) personnel by extending the Internship Programme under the Innovation & Technology Fund to our R&D centres and expanding the pool of recruits to cover graduates of master or higher degree as well as to non-local graduates.
- Set up a Working Group to rigorously explore the promotion of electronic learning materials in enhancing students' capacity for self and interactive learning.

On-going Initiatives

We are:

- Continuing to encourage and promote public policy research in higher education institutions as a means to improve our policy-making capabilities, in particular the quality of policy research.
- Continuing to devote substantial resources in education to enhance the quality of our young generation, promote social mobility, and meet the needs and challenges of a changing economy.
- Continuing to enhance the quality of pre-primary education by progressively increasing the level of direct fee subsidy for eligible parents and providing financial support for teachers' professional upgrading through the Pre-primary Education Voucher Scheme.
- Planning with four remaining primary schools to turn into whole-day schooling.
- Discussing with stakeholders proposals to fine-tune the Medium of Instruction arrangements for secondary schools promulgated in 2005, and scheduled for implementation from September 2010.
- Continuing to provide a broad range of school-based professional support services for kindergartens, primary and secondary schools to help them take forward education reform initiatives.

- Transforming senior secondary and higher education through professional capacity building and supporting institutional preparation to implement the changes from 2009.
- Implementing the 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.
- Establishing the Academy for Gifted Education to develop the potential of students with exceptional talent by providing more structured, articulated and challenging off-site programmes and promoting the concepts and practices of gifted education.
- Improving the language standards in Hong Kong by implementing the Action Plan recommended by the Standing Committee on Language Education and Research, which includes professional upgrading of language teachers, enhancing the quality of English teaching at pre-primary level, and creating a conducive language learning environment in collaboration with the mass media.
- Strengthening support to teachers through the provision of professional development opportunities and a professional preparation grant for the New Senior Secondary Curriculum.
- Promoting overseas exchange programmes to nurture students' global perspective and encouraging their participation in international events and activities.

- Providing free senior secondary education for all students in public sector schools and full subvention for full-time courses offered by the Vocational Training Council for Secondary 3 school leavers with effect from the 2008-09 school year.
- Preparing for the implementation of small class teaching in public sector primary schools with effect from the Primary 1 cohort of students in the 2009-10 school year.
- Increasing the respective ratios of graduate teacher posts in public sector primary and secondary schools to 50% and 85% in the 2009-10 school year.
- Providing a new deputy head rank in public sector primary schools with effect from the 2008-09 school year.
- Implementing measures to develop Hong Kong as a regional education hub to attract and retain non-local students. These include increasing the non-local student quota for publicly-funded programmes, awarding government scholarships to outstanding students from the \$1 billion HKSAR Government Scholarship Fund, and relaxing employment and immigration restrictions for non-local students.
- Preparing for the allocation of four greenfield sites earmarked for the development of new international schools or the expansion of existing schools.
- Organising Mainland study trips and exchange programmes for teachers and students of both primary and secondary schools to enhance their awareness and understanding of our country's development, as well as their national identity.

- Participating in the work of the Standing Committee on Legal Education and Training to keep under review and make recommendations on the system and provision of legal education and training in Hong Kong, including the provision of vocational training of prospective legal practitioners.
- Continuing the promotion of various talent admission schemes and reviewing their application procedures from time to time.
- Based on the views received during the first stage public consultation on healthcare reform carried out from March to June 2008, formulating detailed proposals for service reform and supplementary financing, with the aim to initiate further public consultation in the first half of 2009.
- In accordance with the direction of the healthcare reform, before the healthcare financing arrangements are finalised for implementation, make use of the increased government funding for healthcare to strengthen existing healthcare services and to start implementing various service reforms, including the on-going initiatives set out below –
 - (a) Enhancing primary care and community health services through exploring with the healthcare professions the introduction of a primary care doctor register and basic primary care service models in order to promote the family-doctor concept and preventive care in the community, and facilitate the provision of holistic primary care through the collaboration of the public sector, private sector and NGOs;

- (b) Launching a three-year pilot scheme in early 2009 to provide five health care vouchers per year of \$50 each to the elderly aged 70 or above as partial subsidy for their use of private primary care services in their neighbourhood community;
- (c) Continuing the pilot project to purchase primary care services from the private sector in Tin Shui Wai North for specific patient groups under the care of Hospital Authority (HA)'s General Out-Patient Clinics;
- (d) Enhancing community mental health support and outreach services and promoting early intervention of mental health problems so as to improve the mental health of the public;
- (e) Preparing for the establishment of multi-partite medical centres of excellence in paediatrics and neuroscience to improve the quality of clinical services to patients suffering from complex and serious illnesses as well as to enhance the standards of research and training in the two respective medical disciplines. To contribute to the long-term development of paediatrics and neuroscience, the Centres will bring together medical professionals in the public, private and academic sectors from both within and outside Hong Kong, and partner with major international medical centres in professional collaborations, research and training;
- (f) Continuing to explore other public-private partnership initiatives to facilitate integration of the public and private healthcare sectors, promote healthy competition for service quality and professional standards, and provide more choices for the public;

- (g) Further expanding the HA's "Electronic Patient Record Sharing Pilot Project" to allow more private healthcare providers, including those participating in public-private partnership projects, to access their patients' records kept at HA and enter the patients' clinical information upon the patients' consent with a view to promoting sharing of patients' records;
 - (h) Enhancing professional training and facilitating professional development for medical and healthcare practitioners, and improving their working arrangements; and
 - (i) Working out a three-year interim funding arrangement for the HA pending the development of a sustainable long-term funding arrangement in the light of the outcome of public consultation on the healthcare reform.
- Strengthening the regulation of Chinese medicine by handling transitional registration of proprietary Chinese medicines and enhancing inspections of Chinese medicines traders.
 - Increasing the number of public Chinese Medicine clinics from 11 to 14 by early 2009, thereby enhancing Chinese medicine service in our public healthcare system.
 - Implementing the Prevention and Control of Disease Ordinance and continuing to improve 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 slaughteringhouse.

- Implementing the Strategic Framework for Prevention and Control of Non-communicable Diseases, which is a comprehensive strategy to co-ordinate multi-sectoral efforts in the prevention and control of non-communicable diseases.
- Enhancing cancer surveillance by reducing the lag time for case reporting.
- Continuing our efforts in tobacco control through the multi-pronged approach of publicity, promotion, education, legislation and taxation, and to implement the fixed penalty system to strengthen enforcement of the smoking ban.
- Promoting healthy eating habit in schools and food premises and creating an environment conducive to making healthy choices of food to protect the public from life-style diseases.
- Developing a statutory regulatory proposal on medical devices, taking into account the findings of the regulatory impact assessment and the views collected from stakeholders.
- Through collaboration with relevant organisations, launching a Central Organ Donation Register (a centralised and computerised database for voluntary registration by organ donors of their wish to donate organs after death) and promoting registration for organ donation among the public.

Chapter 5

Developing Democracy And Enhancing Governance

Preamble

Hong Kong has taken a critical step forward in its constitutional development. The Decision adopted by the Standing Committee of the National People's Congress makes it clear that the election of the HKSAR Chief Executive may be implemented by universal suffrage in 2017. The Decision also makes it clear that after the Chief Executive is selected by universal suffrage, the election of the Legislative Council may also be implemented by universal suffrage. That is, after the election of the Chief Executive is implemented by universal suffrage in 2017, the Legislative Council may also be elected by universal suffrage in 2020. The Decision has brought Hong Kong's constitutional development to a new stage. We should seize on this valuable opportunity and adopt a rational, pragmatic and inclusive manner. We should look for common ground while respecting differences of opinions, in order to forge a consensus on the constitutional arrangements for the year 2012. This will enable Hong Kong to move towards the ultimate goal of universal suffrage.

Apart from pursuing the development of democracy, we will enhance governance and improve the quality of public services at the same

time. We will continue to uphold the principle of people-based governance and strengthen our communications with the public to bring our policies more in line with public opinion.

New Initiatives

We will:

- Carry out public consultation on the possible options for amending the methods for electing the Chief Executive and for forming the Legislative Council in 2012, with a view to determining the two electoral methods within the tenure of the third-term HKSAR Government. This could then lay a solid foundation for attaining universal suffrage for the Chief Executive in 2017, and for the Legislative Council in 2020.
- Adopt a focused approach to study the rankings of Hong Kong in global competitiveness, economic freedom and ease of doing business by international ranking institutions, to identify areas for improvement with a view to enhancing Hong Kong's competitiveness in the longer term.
- Enhance the Governmental portal, GovHK, to provide more personalised interface for services and information to better meet the needs of users.
- Capitalise on the "60th Anniversary of the Founding of the People's Republic of China" in 2009 and launch a series of national education programmes in 2008-09.

On-going Initiatives

We are:

- Continuing to implement the Political Appointment System.
- Continuing to facilitate the implementation of “One Country, Two Systems” and to demonstrate its success; and to strengthen our efforts in promoting public awareness and understanding of the Basic Law.
- Following up with the relevant Mainland authorities on how the HKSAR could complement the preparation of the National 12th Five-Year Plan under the principle of “One Country, Two Systems”. The objectives are to help ensure that we can make necessary preparations to realise Hong Kong’s development potentials, and to facilitate our timely and effective contribution to the Mainland’s social and economic development during the 12th Five-Year Plan period.
- Continuing to strengthen regional co-operation through our co-operation mechanism with the Pan-Pearl River Delta Region; the Macao Special Administrative Region, the Guangdong Province; and the Municipalities of Beijing, Shanghai and Shenzhen.
- Finalising the improved arrangements for village representative elections with a view to introducing an amendment bill into the Legislative Council in 2009 for implementation in the next village ordinary election in 2011.

- Continuing to enhance the communication between District Councils (DCs) and the Administration through participation of Heads of Departments in DC meetings and briefings for DC members on government policies. We organised a Summit on District Administration in May 2008 and issued a report on the views collected and the action agenda of concrete follow-up measures discussed at the Summit.
- Strengthening our liaison network through District Officers.
- Continuing to consult DCs on government policies and proposals.
- Continuing to take into account public opinion gathered during policy-formulation.
- Strengthening our network at district level to facilitate the collation, assessment and analysis of community feedback.
- Continuing to foster a close working relationship between the executive authorities and the legislature in accordance with the delineation of functions set out in the Basic Law.
- Working with the Commission on Youth, the Committee on Promotion of Civic Education and the youth uniformed groups to provide young people with appropriate non-formal education and training, prepare for the commissioning of the Centre for Youth Development, enhance the promotion of youth development and civic education outside schools, particularly on the civic and social participation of young people and the promotion of national education.

- Continuing to enrich the content and features of the Youth Portal to provide more useful and interesting information and services for local youth aged 15 to 24.
- Setting out the framework within which civil servants are expected to work with political appointees under an expanded Political Appointment System through the issue of a Civil Service Code.
- Continuing to control the size of the civil service by providing the necessary management tools to assist bureaux and departments to make more effective use of manpower resources 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 implement an action plan which will ensure that the Basic Law forms an integral part of training for civil servants, and that the training is provided in a systematic and planned manner which takes into account the needs of civil servants of different levels and work nature.
- Continuing with the development of an effective arrangement for implementing both upward and downward pay adjustments in future, as part and parcel of the improved civil service pay adjustment mechanism.

- Continuing to provide support to the relevant advisory bodies on civil service salaries and conditions of service to conduct grade structure reviews for the directorate grades, the disciplined services grades, and selected civilian grades facing recruitment and retention difficulties. We will take follow-up action upon receipt of their recommendations.
- 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 while sustaining efforts to further improve efficiency and productivity in the civil service.
- Under the Be the Smart Regulator Programme, continuing to extend the on-line licence tracking facility now available for food business related licences as well as hotel and club licences to other licences. Continuing to develop the e-liquor licence processing system for completion in April 2009. Promoting the business consultation e-platform to facilitate the business sectors to access consultation information relating to new regulations, administrative measures and procedures that would impact business and to offer their views and comments.
- Formulating measures to streamline food business licensing, including the introduction of a composite licence/permit scheme to facilitate the operation of food business which manufacture and sell various types of ready-to-eat food items.

- 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 Gross Domestic Product; making proper use of fiscal surplus, if any, after taking account of our long-term interest; reviewing our tax base and continuing to implement the asset sale and securitisation programme.
- Studying options for broadening the tax base and to consult the public further on those options which are more practical in due course.
- Ensuring that the Architectural Services Department can achieve the target of outsourcing to 90% of the delivery of new projects in 2008-09 under its re-engineering programme.
- Continuing to review the small house policy with a view to formulating preliminary proposals for more in-depth discussion and continuing with the implementation of a set of streamlined procedures to expedite the processing of small house applications.
- Continuing to find ways to expedite the processing of lease modification and land exchange applications including a review on the effectiveness of the pilot scheme set up in the Lands Department.
- Furthering the standards of advocacy and preparation in criminal cases through the provision of comprehensive training arrangements for prosecutors.

- Enhancing the quality of criminal justice by promoting transparency in public prosecutions, liaising closely with justice partners (including the Police, the Independent Commission Against Corruption and the departmental prosecutors) and reviewing the disclosure arrangements of law enforcement agencies.
- Promoting co-operation amongst prosecutors at the global level by actively participating in the work of the International Association of Prosecutors.
- Continuing to enhance the law drafting skill of law draftsmen through an in-house mentorship programme and enrich their drafting experience by organising training programmes.
- Continuing the Bilingual Law Information System with enhanced features to provide easy access to our bilingual laws of Hong Kong.
- Reviewing the provisions of the Control of Obscene and Indecent Articles Ordinance in light of prevalence of new media, and planning to extensively engage the public in mapping out future options for improvement.
- 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 outdated facilities and overcrowding in some of our penal institutions.

- Working in tandem with the Independent Police Complaints Council to prepare for the early and continued effective operation of the Council as a statutory body following the enactment of the Independent Police Complaints Council Ordinance.
- 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.
- Continuing to implement the 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.