

The 2010-11 Policy Address
Policy Agenda

Policy Agenda

Introduction

Since the onset of the financial tsunami, we have been closely watching developments in the global economy and have implemented our strategy of “stabilising the financial system, supporting enterprises and preserving employment”. In last year’s Policy Address and this year’s Budget, we proposed the development of six industries where Hong Kong enjoys clear advantages as well as other measures to consolidate economic recovery and help Hong Kong people tide over the difficulties.

Hong Kong has coped reasonably well with the effects of the global financial crisis, and the situation has now stabilised. Nonetheless, we must remain vigilant since Hong Kong is still vulnerable to changes in the external environment. We need to make an all-out effort to promote the development of a diversified economy, while building on the strengths of our pillar industries and enhancing Hong Kong’s competitiveness.

We believe that sustained economic growth can help resolve social conflicts and safeguard people’s livelihood. During the summer, we finally made substantive progress in rolling forward democracy and moved towards universal suffrage. The proposed package for the 2012 elections was passed by the Legislative Council, given consent by the Chief Executive and endorsed by the Standing Committee of the National People’s Congress (NPCSC). This consensus on constitutional

development is very precious. We treasure this opportunity and will make every effort to create a more harmonious political environment. Our hope is that different sectors of the community can direct more of our efforts on economic development, as well as social and livelihood issues.

This year, our policies will focus on those livelihood issues of principal concern to the community, including housing, the ageing population and the wealth gap.

An ageing population and a widening wealth gap are challenges commonly faced by governments of advanced economies.

In Hong Kong, the baby-boomer generation will soon start to retire. The ageing population is already putting a strain on our public healthcare and social welfare systems. We need new thinking to deal with this issue.

The wealth gap is another major challenge. We have started to forge consensus in the community on measures to alleviate the problems facing grassroots families and the working poor. Legislating for a minimum wage is a good start.

On housing, our primary task is to identify the Government's role in assisting members of the community to purchase homes.

Hong Kong is back on the track of development in various spheres. A number of major infrastructure projects initiated in the current term of this Government are being taken forward in stages to provide opportunities for all sectors of the community. Meanwhile, our country, which has maintained steady economic development in the face of the financial tsunami, provides strong backing for Hong Kong.

We will actively complement the preparation of the National 12th Five-Year Plan and use our advantages under “One Country, Two Systems” to create a better future jointly with our country.

Hong Kong has weathered the economic storm and emerged from recession. The challenge ahead is to chart new directions for our economy. All the people of Hong Kong must rise to the challenge and we will scale new heights together!

Chapter 1

Developing the Infrastructure for Economic Growth

Preamble

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

The 10 major infrastructure projects announced by the Chief Executive are being implemented as scheduled. The construction of infrastructure for early development of Kai Tak has commenced. The development of the new cruise terminal is in full swing. The terminal building and the first berth are expected to come into operation in mid-2013. Construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge has started. These various major infrastructure projects will create new employment opportunities and boost our Gross Domestic Product.

In terms of economic development, we will consolidate Hong Kong's status as a centre for financial services, trade and shipping while maintaining our leading position in tourism, logistics and aviation and

maritime services. To further develop Hong Kong into a knowledge-based economy, we are promoting the development of six industries where Hong Kong enjoys clear advantages, namely, education services, medical services, testing and certification, innovation and technology, cultural and creative industries, and environmental industries. In the face of global competition, the Government will enhance Hong Kong's competitiveness, improve the business environment and step up regional co-operation on all fronts.

New Initiatives

We will:

- Work closely with the Hong Kong Council for Testing and Certification to implement a three-year market-driven development plan and explore business opportunities for new testing and certification services in four selected trades, i.e. Chinese medicine, construction materials, food and jewellery.
- Provide financial assistance to Partner State Key Laboratories in Hong Kong to enhance their research capability.
- Work closely with the Hong Kong Science and Technology Parks Corporation to commence the construction works of Science Park Phase 3 in the second half of 2011 and to revitalise the industrial estates in order to keep pace with development.
- Review the government IT infrastructure and strategy to take account of the likely effects of cloud computing and the benefits it may generate.
- Progressively enhance the government IT infrastructure to enable mobile working, unified communications and widespread adoption of paper-less operations to enhance efficiency and communication.
- Plan for the next generation of the GovWiFi programme.
- Study the implications of the development of the next generation networks on the regulation of telecommunications services.

- Conduct public consultation on applying spectrum utilisation fees to administratively assigned spectrum to encourage more efficient use of the scarce frequency resources.
- Ensure the smooth network rollout by the mobile TV licensee for the provision of broadcast-type mobile TV services to cover 50% of the population within 18 months.
- Continue our review of the Pyramid Selling Prohibition Ordinance (Cap. 355) with the objective of enabling more effective enforcement over objectionable, deceptive pyramid schemes. Subject to the outcome of the review and public consultation, our plan is to introduce legislative amendments into the Legislative Council within the 2010-11 legislative session.
- On the development of modern service industries in Qianhai, work with the Shenzhen authorities to encourage Hong Kong enterprises and service providers to capitalise on the opportunities and develop service industries in Qianhai, with a view to opening up the Mainland market.
- Work closely with the Mainland authorities under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) framework for early implementation of a pilot to seek further market access for Hong Kong enterprises to establish construction and related engineering business in Guangdong Province.
- Enhance legal co-operation with Guangdong pursuant to the Framework Agreement on Hong Kong/Guangdong Co-operation.

- Work in collaboration with the Mainland health authorities to promote and implement the new liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to expand and open up the medical service market in the Mainland with a view to facilitating healthcare service providers in Hong Kong to provide diversified medical services in the Mainland.

On-going Initiatives

We are:

- Continuing to strengthen regional co-operation through our co-operation mechanisms with the Pan-Pearl River Delta Region; the Guangdong Province; the Municipalities of Beijing, Shanghai and Shenzhen; and the Macao Special Administrative Region.
- Following up with the relevant Mainland authorities on how the HKSAR can 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.
- Taking forward the implementation of the “Framework Agreement on Hong Kong/Guangdong Co-operation”, and drawing up annual work plan on focus areas.
- 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 enterprises from the Mainland, Taiwan and the emerging markets in Russia, India, the Middle East and South America to invest in Hong Kong and helping our enterprises tap the business opportunities in these markets; and strengthening aftercare services and support to those enterprises already established here to encourage them to upgrade their presence.
- Working closely with the Mainland authorities to ensure the smooth and effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA); and exploring further trade liberalisation and facilitation measures under CEPA, particularly for early and pilot implementation in Guangdong Province to facilitate regional economic integration.
- Continuing to support Hong Kong enterprises in the development and promotion of Hong Kong brands to enable them to better compete in the Mainland and overseas markets.
- Continuing to support Hong Kong enterprises (in particular SMEs) through measures including various funding schemes.
- Working closely with the trade to facilitate the latter to adapt to the Mainland's policy adjustments, to facilitate them to upgrade, restructure and relocate their operation, to develop new markets, as well as to reflect their views to the Mainland authorities.

- Further promoting and expanding trade, investment, tourism and other areas of co-operation between Hong Kong and Taiwan and promoting multi-faceted, multi-level exchanges with Taiwan in a proactive manner through the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council and the Hong Kong-Taiwan Business Co-operation Committee.
- Promoting co-operation between major venues to achieve better utilisation of existing convention and exhibition facilities and closely monitoring Hong Kong's long term demand for additional facilities.
- Pressing ahead with the enactment of the Competition Bill to prohibit conduct that prevents, restricts or distorts competition in Hong Kong and to establish a Competition Commission and a Competition Tribunal.
- Taking forward the refined proposals for strengthening copyright protection in the digital environment with a view to introducing the relevant amendment bill into the Legislative Council in the 2010-11 legislative session.
- 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.

- Continuing to support the further development of wine trading and distribution businesses in Hong Kong, riding on growing demand across Asia. Measures being pursued include trade and investment promotion, facilitating the movement of wine imports into the Mainland, manpower training and education, promotion of wine and food pairings, combating counterfeits, and collaboration with trading partners.
- Taking forward a programme aimed at enhancing weather services for the Hong Kong International Airport and upholding aviation safety, including the replacement/upgrading of the Hong Kong Observatory's windshear radar and other meteorological equipment.
- 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 further promotion of self-service immigration clearance to visitors, and encouraging the industry's migration to the newly-introduced electronic "Road Cargo System" for easy and efficient customs clearance of road cargoes.
- Supporting the Hong Kong Tourism Board (HKTB) in continuing its promotion work in key source markets and strengthening its marketing activities in emerging markets.
- Continuing to promote measures in providing greater immigration convenience to Hong Kong and Macao residents travelling between the two places.

- Together with local stakeholders and Mainland tourism authorities, tightening the regulation of the arrangements for Mainland tour groups in Hong Kong and continuing the promotion of honest tourism and hospitality culture to further uplift the quality of Hong Kong's tourism services.
- Supporting HKTB's dedicated office "Meetings and Exhibitions Hong Kong" and continuing partnership with our local and overseas networks to promote MICE (meetings, incentive travels, conventions and exhibitions) tourism in Hong Kong.
- Supporting HKTB's co-operation with tourism organisations and travel trade in the Mainland and around the region in developing "multi-destination" itineraries.
- Continuing the development of the new cruise terminal at Kai Tak as well as supporting HKTB's overseas promotion on cruise tourism; and continuing to work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region.
- Co-ordinating efforts of the Government and the tourism industry to facilitate the operation and development of major tourism infrastructure facilities, including –
 - (a) the planning and co-ordination of enhancement projects at the Lei Yue Mun waterfront, Aberdeen and Tsim Sha Tsui;
 - (b) liaising closely with the Ocean Park and relevant parties to ensure smooth implementation of the Park's redevelopment and hotel projects; and

- (c) overseeing the implementation of the Hong Kong Disneyland expansion plan to ensure its timely completion.
- Extending progressively the territory-wide coverage of digital terrestrial television with the building of supplementary transmission stations and closely monitoring the take-up situation, market and technology development of digital terrestrial television.
 - Implementing progressively the plans for Radio Television Hong Kong to serve as a public service broadcaster.
 - Pressing ahead with the enactment of the Communications Authority Bill to establish the Communications Authority in order to enhance regulatory co-ordination and facilitate the further development of the electronic communications industry.
 - Continuing to monitor the 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.
 - Continuing to examine the feasibility of introducing radio spectrum trading in Hong Kong.
 - Preparing for the auction of the radio spectrum in the 850 MHz, 900 MHz and 2 GHz bands for the further development of public mobile services.
 - Reviewing procedures to make it simpler and speedier for interested parties to install new submarine cables in Hong Kong, with or without affiliated data centres in cable landing stations.

- Continuing to review the local access charge for interconnection between the local network operators and external telecommunications service providers to ensure a fair and updated regulatory regime conducive to service and technology developments in the telecommunications market.
- Developing new action plans based on the key focus areas in the Digital 21 Strategy and the Statements of Desired Outcomes, 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.
- Continuing with the procurement arrangement for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.
- Reviewing the outcome of the 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 and communications technology (ICT) industries, including facilitating Hong Kong's development into an ICT entrepot for Mainland and overseas economies, facilitating collaborative ICT research and development with other economies, fostering partnership in promoting local ICT industry and attracting inward investment, and facilitating ICT manpower development.

- Upholding our information security policies and practices and developing a strong culture of data protection. Continuing to promote information security to the public on the proper use of computing facilities and ways to protect their computer resources and information assets.
- Examining the economic benefits attributable to data centres to promote Hong Kong as a data centre hub.
- Promoting applied research and development (R&D) and technology transfer to the industry through the R&D Centres and the Innovation and Technology Fund.
- Implementing the R&D Cash Rebate Scheme to reinforce research culture among business enterprises and encourage them to establish stronger partnership with designated local public research institutions.
- Continuing to promote all round collaboration in science and technology with the Mainland.
- Implementing the Three Year Action Plan under the “Shenzhen-Hong Kong Innovation Circle” and promoting closer co-operation between Hong Kong and Shenzhen in innovation and technology.
- Continuing with the construction works for the new Central Government Offices, Legislative Council Complex and open space development at the Tamar site with a view to completing the works in 2011.

- Continuing with a package of new measures until 31 March 2013 to facilitate wholesale conversion or redevelopment of private industrial buildings to provide suitable premises and land to meet Hong Kong's changing economic and social needs. We will also review in the coming year the effectiveness of the new measures.
- Conducting strategic planning and technical studies to facilitate effective use of underground space through enhanced and planned use of rock caverns as part of Hong Kong's pursuit of sustainable development.
- Continuing to enhance our capability to resolve cross-bureau and cross-departmental issues relating to major infrastructure, to conduct public engagement at an early stage, and to address strategic issues which might impede progress in the major infrastructure projects.
- Collaborating with the Construction Industry Council (CIC) and key stakeholders to monitor the manpower situation in the construction industry and to implement strategies to enhance the manpower resources in individual sectors of the industry to meet the demand for the implementation of the upcoming infrastructure projects.
- Continuing with the detailed engineering study and preliminary design for the Liantang/Heung Yuen Wai Boundary Control Point and passenger building as well as the access road network.

- Continuing with the North East New Territories New Development Area (NDA) Planning and Engineering Study comprising Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs for completion by 2011 with a view to providing housing land and land to meet other land use requirements in the future. We also target to commence the Hung Shui Kiu NDA study in 2011.
- Co-operating closely with the Shenzhen Municipal Government through the “Hong Kong-Shenzhen Joint Task Force on Boundary District Development” in jointly undertaking the Planning and Engineering Study on Development of Lok Ma Chau Loop to explore the feasibility of developing the Lok Ma Chau Loop, with higher education as the leading land use, complemented with hi-tech R&D facilities as well as cultural and creative industries. We aim to complete the Study in 2012. The Joint Task Force will continue to steer 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.
- Continuing to press ahead with the implementation of mega projects essential to Hong Kong’s economic development through close supervision at a high level. A dedicated Kai Tak Office has been established to lead and oversee the co-ordination and implementation of Kai Tak Development.
- Continuing to work closely with the CIC to pursue initiatives for improving the standards of the construction industry, in particular on promoting construction site safety.

- 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 extending the scope of mutual recognition of professional qualifications under CEPA, and with Mainland cities in the secondment of graduate trainees to encourage exchange of talent and enhance co-operation.
- Continuing to engage the key stakeholders to refine the proposed amendments to the Land Titles Ordinance.
- Progressively implementing the proposals for Tai O under the “Revised Concept Plan for Lantau” in support of a balanced and co-ordinated development of Lantau.
- Continuing to work with the Hong Kong Housing Society (HKHS) to bring to fruition its senior citizens housing project at Area 115 of Tin Shui Wai, and taking forward HKHS’s short term land use project in the remaining portion of Area 112, including a vocational training centre to be operated by the Vocational Training Council.
- Continuing to administer the Land Grant Scheme for the allocation of six earmarked sites to support the development of self-financing degree programmes by interested sponsoring bodies.
- Continuing to work closely with the arts sector to strengthen our cultural software, including arts programme development, audience building, arts education and manpower training, in preparation for the West Kowloon Cultural District (WKCD).

- Implementing the WKCD project together with the WKCD Authority which includes preparing the Development Plan for the WKCD, organising public engagement exercises to seek views of the public and various stakeholders including the arts and cultural sectors, and co-ordinating the interface between venues in the WKCD and arts and cultural venues managed by the Government.
- Continuing with the investigation and design of the proposed Tuen Mun-Chek Lap Kok Link and with the evaluation of the alignment options for the Tuen Mun Western Bypass for further public consultation.
- Overseeing the implementation of the improvement of the expressway section and the widening of the town centre section of Tuen Mun Road.
- Continuing to study 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, including further planning of the Hong Kong-Shenzhen Western Express Line as a multi-purpose cross-boundary railway which complements the planning and development of Qianhai, Shenzhen and northwestern part of the New Territories and exploits the synergy from the complementary strengths of the two airports.
- 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 Pearl River Delta 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.
- Following up the proposals arising from the review on the regulatory regime of the Air Transport Licensing Authority for our local airlines.
- Promoting maritime services of Hong Kong.
- 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.
- Facilitating the development of a logistics cluster and high value-added third party logistics services in Hong Kong by making available suitable sites around the Kwai Tsing area and keeping in view the development of the Lantau Logistics Park in the light of the need of the logistics sector and the global and local economic situation.
- Continuing with the Hong Kong-Zhuhai-Macao Bridge (HZMB) project for the completion and commissioning of the Bridge by 2016. For this, the three governments concerned will seek to finalise the financing arrangement with the lead bank in respect of the main bridge, while the HKSAR Government will complete the detailed design of the boundary crossing facilities and the link road between them and the main bridge.
- Constructing the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link with target completion in 2015.
- Monitoring the progress of the works of the West Island Line for timely commissioning in 2014.
- Continuing with the planning and design of the Shatin to Central Link with a view to commencing construction as soon as practicable.

- Continuing with the planning and design of the South Island Line (East) and the Kwun Tong Line Extension 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.
- Launching the sale of the remaining surplus Home Ownership Scheme flats as soon as possible.
- Actively promoting Hong Kong legal services in the Mainland 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.
- Promoting the new Arbitration Ordinance to users and practitioners of arbitration.
- Enhancing legal co-operation in civil and commercial matters, including family law matters, between Hong Kong and the Mainland, to facilitate the resolution of civil and commercial disputes in a more convenient and cost-effective manner.

- 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 promote the further development of 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 and to take forward relevant measures under the Framework Agreement on Hong Kong/Guangdong Co-operation.
- 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 corporations.
- Promoting the development of an Islamic bond market in Hong Kong by amending the taxation laws to level the playing field for common types of Islamic bond vis-à-vis their conventional counterparts as far as tax liabilities are concerned.

- Reviewing and strengthening the supervisory framework for authorised 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 Board, Basel Committee on Banking Supervision and other relevant international organisations.
- Stepping up the promotion of Hong Kong's asset management industry with a view to enhancing Hong Kong's position as a major asset management centre in Asia.
- Promoting the further development of the local bond market by implementing the Government Bond Programme and pursuing the legislative exercise for enhancing the Qualifying Debt Instrument Scheme. Also, 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 our financial infrastructure, including rationalising the public offering regime for structured products; introducing statutory requirements for listed corporations to disclose price sensitive information, subject to consultation outcome; and facilitating the implementation of a scripless securities market.

- Preparing legislative proposals for establishing an independent Insurance Authority taking into account comments received during public consultation.
- Rewriting the Companies Ordinance to provide Hong Kong with a modernised legal infrastructure attuned to its needs in the 21st century as an international business and financial centre.
- Updating the Trustee Ordinance with a view to strengthening the competitiveness of Hong Kong's trust services industry.
- Pursuing legislation for enhancing the anti-money laundering regulatory regime in respect of the financial sectors to better align with prevailing international standards.
- Preparing proposals in collaboration with the industry on the establishment of a policyholders' protection fund for public consultation, with a view to improving market stability and safeguarding the interest of policyholders in the event of insolvency of an insurer.
- Enhancing the Deposit Protection Scheme, including the increase of the protection limit to \$500,000 with effect from 1 January 2011.
- Taking forward proposals to establish a cross-sector investor education council and a financial dispute resolution scheme to enhance investor protection, subject to consultation outcome.
- Developing a corporate rescue procedure based on public consultation outcome with a view to providing companies in financial trouble with an opportunity to turn around.

- Promoting the development of Chinese medicine in Hong Kong by collaborating with experts from the Mainland, regional and international arena in the research and development of standards for 200 Chinese herbal medicines.
- Continuing to strengthen anti-corruption support for small and medium enterprises including in particular those operating in the Pearl River Delta through the joint working group set up with our counterparts in Guangdong and Macao.
- Continuing to reach out to stakeholders in relevant international ranking institutions to elucidate the ethics and integrity building efforts as related to the achievements of Hong Kong in the business community.

Chapter 2

Quality City And Quality Life

Preamble

The development of Hong Kong into a knowledge-based economy requires talent from around the world, and a quality city life is essential to attracting talent. 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 protection and conservation. In the arena of environmental protection, we launched a basket of new initiatives in areas such as air quality improvement, waste management and promoting a low-carbon economy and lifestyle. Statistics show that Hong Kong’s environment is improving. Environmental protection is a long-term and continuing commitment. The Government will continue to promote regional co-operation to improve air quality within the region, and to develop the Pearl River Delta Region into a green and quality living area. Global warming is an international concern. We will meet the challenge of climate change with early planning. In particular, we will enhance energy efficiency and promote a low-carbon economy—an economy based on low energy consumption and low pollution. We will also continue to push ahead with on-going initiatives in culture and the arts, information, creativity, greening, and heritage

preservation, etc., and will propose new initiatives to make Hong Kong a more attractive quality city.

We will also continue our efforts to beautify the shoreline of Victoria Harbour by transforming it into a landmark asset to be enjoyed by locals and visitors alike.

New Initiatives

We will:

- Prepare for the launch of digital audio broadcasting service including processing applications submitted by commercial operators.
- Process applications for domestic free television programme service licence submitted by commercial operators.
- Progressively develop e-government services accessible via mobile devices.
- Formulate and implement a Green Data Centre Strategy to reduce carbon footprints and environmental impact in government data centre operations.
- Nurture creative talent in Hong Kong through sponsoring a specialised technical training programme to provide skilled workforce at frontline level for the local film industry; and supporting our creative talent to participate in overseas competitions to showcase Hong Kong's creativity and to gain international status.
- Organise a wide range of community and business activities, including the InnoTech Month and the Business of Design Week, during November and December 2010 to enhance the community's awareness of and capacity for innovation and creativity.

- Work closely with our creative industries to develop signature events for the different creative sectors, with a view to enriching Hong Kong's creative events calendar, and establishing the city as the prime location for holding creativity events in the region.
- Support the creative industries in using the new media to explore new markets and promote Hong Kong's creative industries worldwide. This includes funding the establishment of an online platform to showcase local architectural works, as well as supporting the local comics sector to develop a mobile distribution platform to facilitate promotion and distribution of Hong Kong comics locally and overseas.
- Put in place a new Urban Renewal Strategy following the two-year extensive public engagement process and consult the public on its proposed text before finalisation of the new Strategy.
- Set up a pilot District Urban Renewal Forum to implement a bottom-up, district-based approach in urban renewal.
- Commission a pilot mediation scheme to encourage parties involved in or contemplating applications for compulsory sale for development under the Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545) to undertake mediation.
- Introduce legislative amendments to enhance safety of advertising signboards and subdivided units.
- Take rigorous enforcement actions against unauthorised building works and respond efficiently to complaints against contraventions of the Buildings Ordinance.

- Together with the Hong Kong Housing Society and Urban Renewal Authority, provide one-stop comprehensive building maintenance advice and assistance to building owners.
- Introduce a package of measures to enhance building design to foster a quality and sustainable built environment.
- Enhance community involvement in surveillance of trees in Hong Kong through co-operation with District Councils, schools and non-government organisations (NGOs) so as to protect public safety.
- Establish an education centre to step up the promotion of water conservation through the provision of education resources to the community.
- Formulate a flood prevention scheme for the provision of an underground stormwater storage tank to relieve the flooding risks in Happy Valley and adjacent areas.
- Commence a study on the adoption of low carbon construction measures in the delivery of public works projects.
- Take forward the Regional Co-operation Plan on Quality Living Area for the Pearl River Delta Region in collaboration with Guangdong and Macau with a view to transforming the Region into a green and quality living area.
- Propose new emission caps for the power sector for promulgation with a view to further tightening up control on its emissions.

- Fund a trial to ascertain the feasibility of retrofitting Euro II and Euro III franchised buses with selective catalytic reduction (SCR) devices to reduce emissions of nitrogen oxides from the franchised bus fleet.
- Subject to satisfactory trial results, propose to fund the capital costs for installing SCR devices to Euro II and Euro III franchised buses.
- Set up the Pilot Green Transport Fund within 2010-11 for application by the transport trade.
- Re-open in 2011 some of the Tsuen Wan beaches where water quality has been restored. With the commissioning of the Advance Disinfection Facilities of the Harbour Area Treatment Scheme Stage 2A in March 2010, the water quality in western Victoria Harbour and Tsuen Wan beaches has improved.
- Extend the Convention on Biological Biodiversity and the Cartagena Protocol on Biosafety to Hong Kong upon the commencement of the Genetically Modified Organisms (Control of Release) Ordinance to demonstrate to the international community our commitment to enhance the protection of biodiversity.
- Consult the public on Hong Kong's Climate Change Strategy with a view to drawing up Hong Kong's action blueprint and related greenhouse gas emissions reduction measures for combating climate change.
- Inject an additional \$500 million into the Environment and Conservation Fund to sustain and expand community participation in environmental protection and nature conservation.

- Identify suitable sites for columbarium development across the territory and conduct technical feasibility studies of shortlisted sites to increase supply of columbarium facilities.
- Consolidate the feedback received in the public consultation on review of columbarium policy and formulate appropriate measures to enhance regulation of private columbaria.
- Implement the recommendation of the Committee on Sustainable Fisheries to ban trawling activities in Hong Kong waters through introducing the necessary legislation into the Legislative Council in the 2010-11 legislative session, with the aim of conserving and restoring marine resources.
- Use the annual investment return from the \$3 billion seed capital of the Arts and Sport Development Fund to promote the long-term development of sport, the arts and culture.
- Review the funding for the performing arts in Hong Kong with a view to, among other things, drawing up a set of appropriate assessment criteria and improving the monitoring mechanism for subvented performing arts groups.
- Strengthen support for the long-term development of football.
- Strengthen the monitoring of “National Sports Associations” receiving government subvention to improve their corporate governance for more effective promotion and development of sport in Hong Kong.

- Tackle the management problem of old buildings by joining hands with property management companies to provide one-stop professional management services to clusters of buildings.
- Launch a building care promotion programme by establishing a panel of advisors to provide neutral and authoritative advice to owners involved in building management disputes and organising structured training for office-bearers of owners' corporations.
- Announce the public consultation on the introduction of a licensing system for the property management industry.
- Propose amendments to the Road Traffic Ordinance to combat drug driving with a view to enhancing road safety.

On-going Initiatives

We are:

- Continuing with the mid-term review of the two commercial sound broadcasting service licences with a view to gauging public feedback and formulating proposals to improve the radio services provided by the licensees.
- Updating the regulatory arrangements of telephone directory services, in response to the feedback received from public consultation, to facilitate effective use of resources by fixed network operators to maximise consumer benefits.
- Continuing to enhance the Governmental portal, GovHK, to provide more personalised interface for services and information to better meet the needs of users.
- Considering the way forward on the review of the Control of Obscene and Indecent Articles Ordinance in light of public opinion received.
- 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. This includes promoting Hong Kong's design services to the Pearl River Delta.

- Promoting the development of the film industry by implementing recommendations from the Film Development Council; promoting Hong Kong films and directors to the Mainland, Taiwan and South East Asian markets through organising film festivals and business matching activities in these places; and taking forward the development of a digital distribution network to facilitate distribution of film from overseas sources to local digital cinemas through electronic means.
- Encouraging the local creative industries to make good use of the \$300 million CreateSmart Initiative to support projects conducive to the development of the industries.
- Nurturing local creative talents in collaboration with the creative industries. This includes training and internship programmes for tertiary students and fresh graduates to obtain on-the-job training in the creative industries; and supporting the local architectural sector to incorporate elements of architecture in the secondary school curriculum to develop students' appreciation of and interest in architecture and creativity.
- Assessing the submissions received for transforming the former Police Married Quarters on Hollywood Road (i.e. the original site of the Central School) into a creative industries landmark. We will work closely with the selected non-profit-making organisation (NPO) and the local creative industries to implement the revitalisation project.

- Continuing to strengthen the learning of design and creativity elements through providing diverse student learning experiences, teacher professional development programmes as well as learning and teaching resources so as to enhance primary and secondary school students' creativity.
- Strengthening our arts and cultural development by taking a three-pronged approach: (a) programme development, (b) audience building, and (c) arts education and manpower training so as to bring arts to the people for everyone to access to quality and diverse cultural contents.
- Continuing to improve the greening, landscape and tree management regime through the adoption of a holistic approach embracing quality landscape planning and design in the upstream to professional vegetation management in the downstream, effective steer and co-ordination across departments in tree management, enhancement of professional expertise and increased community involvement.
- Continuing to monitor the efficiency and effectiveness of the enhanced minor works delivery system.
- Drafting a bill to enhance the safety of lifts and escalators and the new Ordinance will repeal in whole the existing Lifts and Escalators (Safety) Ordinance (Cap. 327).
- Continuing with the implementation of the "Water Efficiency Labelling Scheme" (WELS) to promote public awareness of water conservation and facilitate users' choice of water efficient plumbing fixtures and appliances.

- Working closely with the selected NPOs to implement projects in the first and second batches of buildings under the “Revitalising Historic Buildings Through Partnership Scheme”.
- Proceeding to invite commercial tenders for the revitalisation and adaptive re-use of the Haw Par Mansion.
- Taking forward the conservation and revitalisation of the Central Police Station Compound in partnership with the Hong Kong Jockey Club based on a revised conceptual design.
- Continuing with the development of a comprehensive cycle track network in the New Territories to improve the quality of living.
- Continuing to press ahead with the detailed design and construction works for the comprehensive water mains replacement and rehabilitation programme.
- Continuing with the decking and/or landscaping of 16 sections of nullahs with a view to completion by 2014 to improve the living environment.
- Carrying out the preliminary design of the improvement work for the Yuen Long Town Centre Nullah to enhance the local environment quality and the ecological value of the nullah.
- Continuing to promote the wider use of energy efficient devices and adoption of renewable energy systems in public works projects.
- Implementing the greening works recommended in the Greening Master Plans (GMPs) for remaining urban areas, and proceeding with the preparation of GMPs for the New Territories.

- Promulgating a set of clear and practicable guidelines for the better provision of public open space in private developments.
- Developing a performance-based regulatory system to facilitate modern and innovative building design.
- Implementing the minor works control system in accordance with the Buildings (Amendment) Ordinance 2008 and the Building (Minor Works) Regulation to streamline statutory procedures for processing minor works in private buildings in order to improve building control and building safety.
- Working closely with the Legislative Council in the examination of the Buildings (Amendment) Bill 2010 for introducing a mandatory building inspection scheme and a mandatory window inspection scheme to require private building owners to inspect their buildings and windows regularly with an aim to implement the two schemes as early as possible.
- Continuing to work closely with the Hong Kong Housing Society and the Urban Renewal Authority (URA) to assist owners in need to carry out repair and maintenance works, including the \$2.5 billion “Operation Building Bright”. 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 and aiming to complete the review of the Drainage Master Plans for northern and northwestern New Territories in 2011.

- Continuing with the Landslip Prevention and Mitigation Programme to upgrade and landscape government man-made slopes, mitigate the landslide risk of natural terrain with known hazards, and conduct safety screening studies for private slopes.
- Continuing to work closely with the URA on area improvement schemes in Wan Chai and Mong Kok aimed at preserving local characteristics as well as beautifying the areas.
- Continuing the review of outline zoning plans to stipulate building height control and impose/revise relevant planning parameters where justified to lower the development intensity, with a view to improving the living environment.
- Finalising the revised scheme of property development of a reduced development intensity at Yuen Long Station along the West Rail.
- Strengthening our work on harbourfront planning and implementing harbourfront enhancement initiatives for the enjoyment of our residents and visitors alike, as well as ensuring that our planning, land use and urban design are in line with our stated mission to protect the Victoria Harbour, in collaboration with the Harbourfront Commission and the wider community.
- Providing one-stop advisory and co-ordination services through the Development Opportunities Office to land development proposals by NGOs and the private sector that will bring broader economic and social benefits to society.
- Working with the Guangdong authorities to carry out further in-depth studies with a view to finalising a strategy to transform the Pearl River Delta Region into a green and quality living area.

- Upon the passage of the Buildings Energy Efficiency Bill by the Legislative Council, proceeding with the enactment of relevant subsidiary legislation and preparing for the implementation of the ordinance.
- Continuing to promote the buildings energy efficiency funding schemes, with \$450 million allocated by the Environment and Conservation Fund (ECF) to subsidise building owners to carry out energy-cum-carbon audits and energy efficiency projects. The funding schemes have been open for application since April 2009. Over 560 funding applications have been approved, involving a subsidy amount of over \$180 million.
- Implementing a comprehensive target-based green performance framework for new and existing government buildings to continue promoting environmental protection and energy conservation in government buildings.
- Implementing energy efficiency demonstration projects to demonstrate state-of-the-art energy efficient designs and technologies.
- Implementing the district cooling system at Kai Tak Development to meet the demand of air-conditioning for public and private non-domestic developments.
- Preparing for full implementation of the second phase of the Mandatory Energy Efficiency Labelling Scheme in September 2011.
- Continuing to promote the use of energy-efficient lighting installations and preparing for the public consultation on progressively restricting the sale of incandescent light bulbs.

- Taking follow-up actions in view of the findings of the study on the issue of energy wastage of external lighting.
- Continuing to monitor the progress of the two power companies in developing commercial-scale wind energy projects.
- Continuing to collaborate with the two power companies to launch a leasing scheme of electric vehicles by end 2010, so as to expose a wider section of the community to electric vehicle driving experience.
- Continuing to cap 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 Pearl River Delta with a view to achieving the joint emission reduction targets.
- Continuing to work with the Guangdong authorities to map out the post-2010 emission reduction arrangements to further improve regional air quality.
- Continuing to implement the five-year “Cleaner Production Partnership Programme” to provide professional and technical support to Hong Kong-owned factories in the Pearl River Delta Region with a view to promoting adoption of cleaner production technologies and practices.

- Continuing to tighten vehicle emission and fuel standards following the EU's practices.
- 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.
- Bringing the Motor Vehicle Idling (Fixed Penalty) Bill through the Legislative Council to introduce a statutory ban on idling vehicles with running engines.
- Providing incentives to encourage owners of Euro II diesel commercial vehicles to replace their old vehicles with those complying with the prevalent emission requirements for newly registered vehicles.
- Encouraging the use of environment-friendly private petrol cars and commercial vehicles by reduction in first registration tax.
- Drawing up a scheme to control the emissions of non-road mobile sources, including implementation of statutory emission standards for non-road mobile machinery, in light of the outcome of the consultation with the trade.
- Mapping out the way forward for reducing emissions from local ferries in light of the findings of the trial to ascertain the technical feasibility of local ferries using ultra-low sulphur diesel.

- Extending the import ban to controlled products containing hydrochlorofluorocarbons and other scheduled substances by phases from January 2010, with a view to meeting the new phasing out schedule agreed by the Montreal Protocol in September 2007.
- Implementing the Air Pollution Control (Volatile Organic Compounds) Regulation, which was amended in October 2009, to limit the contents of volatile organic compounds in adhesives, sealants, vehicle refinishing paints and marine vessels paints by phases from January 2010.
- Mapping out the best way forward to update Hong Kong's Air Quality Objectives and develop an air quality management plan.
- Continuing to engage major local trade and environmental protection associations in organising activities for promoting carbon audits or carbon reduction within the community.
- 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) monitoring the development of Phase I and Phase II of EcoPark;

- (c) completing the baseline survey to collect information on waste generation pattern and waste management practices among different types of commercial and industrial establishments, and continuing to examine feasible municipal solid waste charging options in the local context;
 - (d) implementing the three landfill extension schemes;
 - (e) completing the feasibility and environmental impact assessment studies for the Integrated Waste Management Facilities at the two potential sites (i.e. Tsang Tsui ash lagoon in the Tuen Mun District and Shek Kwu Chau of the Islands District); and
 - (f) completing the feasibility and environmental impact assessment studies for the Organic Waste Treatment Facilities and preparing for the tendering of the project.
- Reviewing the effectiveness of the Environmental Levy Scheme on Plastic Shopping Bags, as the first mandatory Producer Responsibility Scheme under the Product Eco-responsibility Ordinance, and consulting the public on its way forward.
 - Drawing up detailed proposals for a mandatory Producer Responsibility Scheme for waste electrical and electronic equipment.
 - Completing the upgrading of the Chemical Waste Treatment Centre in 2011 to meet the latest EU air-emission standards.

- Commencing the construction of the sludge treatment facility in 2010 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.
- Continuing to implement Stage 2 of the Harbour Area Treatment Scheme by phases with the aim of completing Stage 2A within 2014. We commenced a study to review Stage 2B of the Scheme in June 2010. Based on the results to be obtained under the study, we will decide on the timing for building the biological treatment plant under Stage 2B.
- Overseeing the implementation of the Management Agreement and pilot scheme on Public-Private-Partnership promulgated under the New Nature Conservation Policy, with the objective of enhancing conservation of ecologically important habitats on private land.
- Seeking to designate the Geopark areas as protected areas, and stepping up publicity and education efforts on geo-conservation, in order to better preserve Hong Kong's unique and valuable geological resources.
- Taking forward the proposal to ban commercial fishing in marine parks for improving ecosystems in marine parks and offering better protection for marine organisms.
- 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.

- Continuing to support, through the ECF, the following projects to further promote public awareness on environmental protection and strengthen international and regional collaboration to address environmental challenges –
 - (a) greening/waste reduction/energy efficiency projects for schools, community buildings and charitable organisations;
 - (b) energy audits and energy efficient installation projects for buildings to promote energy conservation under the Building Energy Efficiency Funding Scheme, as well as energy audits and energy conservation projects in NGO premises under the Energy Conservation Projects for NGOs funding scheme;
 - (c) the operation of two processing centres by NGOs for waste plastics and waste electrical and electronic equipment respectively at EcoPark;
 - (d) international conferences to promote exchanges amongst policy-makers, professionals as well as other stakeholders on latest developments and best practices on environment and conservation matters;
 - (e) projects from District Councils and community groups to implement district-based projects on low carbon lifestyle promotion, energy efficient installations and waste reduction; and
 - (f) projects in conserving and enhancing the biodiversity of ecologically important sites.

- Continuing to actively apply green specifications in government procurement. We also aim to extend the green procurement policy to cleansing and vehicle hiring service contracts. Furthermore, works departments will also start using paving blocks made with recycled glass in upcoming road maintenance contracts.
- Continuing to encourage all schools to sign a green lunch charter to avoid the use of disposable containers and cutlery, and to reduce food waste; and with funding support from the ECF, encouraging schools to install new facilities for serving green lunch. Up to end September 2010, 45 funding applications, amounting to \$57 million have been approved.
- Following through the scrutiny of the Food Safety Bill by the Legislative Council 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 power to make regulations for tightening control on imported food.
- Preparing 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.

- Promoting sustainable development of the fisheries industry and conserving fisheries resources in Hong Kong waters including offering free training on sustainable fishing practices, and launching a pilot fish hatchery and nursery scheme.
- 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 provision of cemeteries, columbaria and crematoria facilities and striving to provide more facilities to meet future demand.
- Following up on the recommendations of the review on hawker licensing, including the issuing of fixed-pitch hawker licences after consultation with the relevant District Councils.
- Continuing to plan and build new cultural and sports facilities taking into account community needs.
- Continuing to plan the development of a Multi-purpose Stadium Complex at Kai Tak.
- Continuing to promote “sport for all” by –
 - (a) working with 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 with a view to sponsoring more people from less privileged backgrounds to attend major sports events;
 - (c) strengthening the promotion of major sports events with a view to encouraging greater spectator participation and promoting Hong Kong as an international events centre;
 - (d) helping “National Sports Associations” implement effective feeder systems for the early identification of potential elite athletes; and
 - (e) organising events such as the Sport for All Day and the Hong Kong Games to promote regular and continued participation in sport.
- Continuing to facilitate the re-development of the Hong Kong Sports Institute in order to provide world-class sports training facilities.
 - Continuing to support our elite athletes as they prepare to participate in the 2010 Asian Games, the 2012 Olympic Games and other major international sports events.
 - Working closely with the West Kowloon Cultural District (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, and broaden Hong Kong’s exchanges with other places in contemporary art and performing arts, so as to enrich people’s cultural life.

- 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.
- Continuing to support the small- and medium-sized performing arts groups in using venues not managed by the Leisure and Cultural Services Department 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 WKCD facilities.
- At the district level, lining up quality cultural programmes to support the district arts festivals; launching specially curated entertainment programmes, community cultural events, student performances, etc. through the Leisure and Cultural Services Department for audience development and arts education.
- 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 a package of new initiatives with a view to establishing clear branding for our public museums and expanding their audience.
- Continuing to work closely with the Hong Kong Maritime Museum to establish a representative maritime museum for Hong Kong at the Central Pier 8.
- Supporting the research, preservation and promotion of Hong Kong's intangible cultural heritage, in particular Cantonese opera as an important form of local indigenous art form.

- Implementing strategies and measures for the development of library facilities and services to achieve the broader cultural mission of the Hong Kong Public Libraries.
- Building on the experience of the Asia Cultural Co-operation Forum, continuing to foster partnership among governments in the Asian region and enhance Hong Kong's position as the cultural hub of Asia.
- Continuing our efforts to strengthen the regional cultural network in the Pearl River Delta (PRD) through the Greater PRD Cultural Co-operation Meeting.
- 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 in the 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.
- Taking forward feasibility studies for the proposed pedestrian link schemes in Causeway Bay and Mong Kok so as to create space for pedestrian movements, minimise vehicle-pedestrian conflicts and improve roadside air quality, and continuing with public consultation on the proposed schemes for improving the pedestrian environment in Yuen Long town centre.
- Continuing with the assessment of options that are feasible in transport, financial and legal terms to improve traffic distribution among the three road harbour crossings in the light of the recommendations of the consultancy study. We will also consult the public on the matter.
- Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources.
- Increasing the greening ratio of all new public rental housing estates to at least 20%. For large public housing projects over 2 hectares, we will increase the greening ratio to 30%. We will also provide green roofs in low-rise buildings and provide vertical greening in some pilot projects wherever feasible.

Chapter 3

Investing for a Caring Society

Preamble

Last year, the financial tsunami struck hard at all sectors of our community. In response, the Chief Executive put forward the strategy of “stabilising the financial system, supporting enterprises and preserving employment” to reduce unemployment. The Government also introduced a series of short-term measures to alleviate the difficulties faced by our people. Although the situation has now stabilised, the Government, in the long term, will 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 prevent excessively low wages by putting in place a statutory minimum wage. As regards the disadvantaged, they need support from the Government. As Hong Kong is moving towards an ageing society, we also have to provide better support to the elderly in need. To help persons with disabilities integrate more fully into society, we need to strengthen services and support for them and their carers. All sectors of society have been mobilised to tackle the increasingly serious youth drug abuse problem. We will continue to join hands with them to combat drug abuse.

New Initiatives

We will:

- On the review of the Personal Data (Privacy) Ordinance, put forth relevant proposals on legislative amendments.
- Launch in partnership with the Family Council a “Family Friendly Company Award Scheme” to give recognition to family-friendly companies with a view to raising awareness of the business sector in promoting family core values and fostering a pro-family environment.
- Enhance access to legal aid and free legal advice service to benefit more people who cannot afford private legal fees.
- Earmark \$100 million for injection into the Supplementary Legal Aid Scheme (SLAS) fund when necessary to facilitate expansion of the scope of SLAS, so that legal aid will be made available to cover more types of cases and benefit more needy in the middle class.
- Further enhance our efforts in the development of social enterprises (SEs) by –
 - (a) introducing a “Be a Friend to Social Enterprise” Campaign to encourage corporations to pledge support for SE development;
 - (b) launching an award scheme to recognise the efforts of social entrepreneurs and to encourage successful SEs;

- (c) instituting a series of structured training programmes on SE to nurture young social entrepreneurs; and
 - (d) launching SE Fairs to raise community awareness in SEs and promote conscience consumption.
- Set up a dedicated group to enhance the support for new arrivals and ethnic minorities, to monitor the service needs of new arrivals during the adaptation period and the difficulties faced by ethnic minorities in daily life, to ensure that the support services provided by the relevant government departments could meet their needs, and to enhance co-operation with non-government organisations (NGOs) and local organisations to assist new arrivals and ethnic minorities in integrating into the society as soon as possible.
 - Provide additional places for pre-school, day and residential rehabilitation services for persons with disabilities.
 - Enhance the services of the integrated community centres for mental wellness to strengthen support for persons with mental health problems.
 - Strengthen medical social services for persons with mental health problems.
 - Provide additional pre-school rehabilitation places and strengthen medical social services for autistic children.
 - Increase the provision of subsidised places in existing and new residential care homes for the elderly (RCHEs).

- Provide additional higher-quality subsidised places under the Enhanced Bought Place Scheme.
- Fully implement the Integrated Discharge Support Programme for Elderly Patients and provide additional subsidised home care and day care places for the elderly.
- Enhance the support for demented elders by providing or increasing relevant supplements for subsidised RCHes and day care centres/units for the elderly.
- Relax the permissible limit of absence from Hong Kong for Old Age Allowance, so that recipients can receive a full-year allowance if they reside in Hong Kong for no less than 60 days a year.
- Launch a territory-wide Work Incentive Transport Subsidy Scheme to subsidise employed members of low-income families in meeting their travelling expenses commuting to and from work.
- Further enhance the child care services and support for families and children in need by -
 - (a) regularising the pilot Neighbourhood Support Child Care Project and extending its geographical coverage to all 18 districts; and
 - (b) extending the Comprehensive Child Development Service to all 18 districts.
- Extend the 3,000 temporary job opportunities in subvented welfare NGOs for one year to assist young people in joining the labour market for open employment.

- Introduce pilot Cyber Youth Outreaching Projects to address the changing needs of youths, in particular the at-risk youths and hidden youths with funding support from the Lotteries Fund.
- Inject additional funds into the Trust Fund on Severe Acute Respiratory Syndrome (SARS) to provide continued financial assistance to incumbent recipients who would likely suffer from permanent SARS-related dysfunctions.
- Introduce a bill into the Legislative Council to expand the scope of the Protection of Wages on Insolvency Fund to cover pay for untaken annual leave and statutory holidays under the Employment Ordinance.
- Launch extensive public education-cum-promotion campaigns and carry out rigorous enforcement action to deter breaches and tackle offenders with a view to improving employees' protection to tie in with the implementation of the statutory minimum wage and criminalisation of wilful defaults of Labour Tribunal or Minor Employment Claims Adjudication Board awards.
- Intensify systematic preventive and enforcement measures, as well as enhance the regulatory system for mandatory safety training courses, so as to forestall high accident toll in the construction sector which may arise from the commencement of major infrastructure projects and expected rapid growth in building renovation and maintenance works.
- Review the existing arrangement for replacement holiday in the event a Lunar New Year holiday falls on a Sunday.

- Enhance the school social work service in secondary schools to help prevent and tackle the student drug abuse and other related problems.
- Formulate the way forward for school drug testing.
- Establish a cadet corps under the Auxiliary Medical Services to encourage young people to develop skills and leadership through participating in group activities and training.
- Further enhance public safety by bringing the United Nations (Anti-terrorism Measures) Ordinance into full operation.
- Implement the Law Reform Commission's interim proposals of launching a sexual conviction record check mechanism for child and mentally incapacitated person related work in order to enhance protection for children and mentally incapacitated persons against sexual assault.

On-going Initiatives

We are:

- Co-ordinating cross-bureau efforts in taking forward and completing HKSAR's post-quake reconstruction support work in Sichuan. Following Legislative Council's approval to inject \$9 billion into the Trust Fund in Support of Reconstruction in the Sichuan Earthquake Stricken Areas (the Trust Fund), the HKSAR Government has in three stages undertaken 151 reconstruction support projects in Sichuan. These projects cover education, medical and rehabilitation, social welfare, highway infrastructure and reconstruction of the Wolong Nature Reserve. The Trust Fund has also provided funding to Hong Kong NGOs to undertake reconstruction support projects in Sichuan.
- Continuing our work on the promotion of human rights.
- Continuing our work on facilitating ethnic minorities to integrate into the community, including sponsoring NGOs to operate support service centres and other specific support services for ethnic minorities and monitoring the implementation of the Administrative Guidelines on Promotion of Racial Equality.
- Make practical preparations for conducting public consultation on the proposed way forward on the recommendations of the Law Reform Commission on stalking.

- Consulting the public on legislative proposals to enhance protection for consumers against unfair trade practices. We will consider public views received and prepare legislative amendments. Our target is to introduce the legislative amendments into the Legislative Council within the 2010-11 legislative session. We will continue publicity and education efforts.
- Continuing with the implementation of the District Cyber Centres scheme, to extend the support service to more affiliated centres with a view to enabling needy local residents in more districts to gain access to the rich pool of information and knowledge in cyber space.
- Continuing with the implementation of the dedicated portal for the elderly to provide one-stop information service on elderly services and the silver hair market with a view to enhancing the elderly's access to the rich pool of online information and services and expanding their circles of life through the Internet.
- Actively planning for the launch of a five-year programme to help primary and secondary students from low-income families acquire suitable and affordable computers and Internet access for on-line learning at home, and to provide necessary training and technical support to these students and their parents on safe and healthy use of the Internet.
- 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 the Social Enterprise Advisory Committee and other stakeholders, encouraging the further development of social enterprises to foster a caring society. We will continue to implement the Enhancing Self-Reliance Through District Partnership Programme.
- Continuing to work with the Family Council to promote pro-family environment; to further promote the importance of family education; and to study and address problems from a family perspective.
- Continuing to work with the Family Council on a territory-wide “Happy Family Campaign” to further promote family core values, with a view to encouraging the community to attach importance to the family, and to foster a culture of loving families.
- Continuing through the Family Council to co-ordinate and liaise with other relevant stakeholders in enriching the “Happy Family Info Hub”, to promote family core values, introduce family education and support services for the family.
- Continuing with the preparatory work for setting up a pioneer one-stop employment and training centre in Tin Shui Wai to streamline, integrate and enhance the existing employment and training/retraining services of the Labour Department, Social Welfare Department and Employees Retraining Board.

- Preparing legislative proposal, in consultation with stakeholders, to empower the Labour Tribunal to make a compulsory order for reinstatement or re-engagement of an employee who has been dismissed unreasonably and unlawfully, and to require the employer to pay a further sum to the employee for failing to comply with such an order.
- Undertaking a review of the definition of continuous employment under the Employment Ordinance based on the statistical data collected on employees not engaged under a continuous contract, and continuing to consult relevant stakeholders in the process.
- Continuing to promote family-friendly employment practices through publicity activities with a view to encouraging wider adoption of such practices in the workplace.
- Continuing to adopt an integrated approach to promote the awareness of employers and employees on how to differentiate between an employee and a self-employed person with a view to protecting employees' rights and benefits.
- Continuing enforcement action against wage offences.
- Continuing with intelligence-based and proactive strategy in combating illegal employment.
- Continuing to review the Code of Practice for Safe Use of Tower Cranes and consult stakeholders of the construction industry on the proposed amendments.
- Continuing to implement short-term food assistance services.

- Co-ordinating efforts across the Government in poverty alleviation through the Task Force on Poverty.
- Monitoring the implementation of the first two batches of Child Development Fund projects and considering the timing for rolling out subsequent batches.
- 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.
- Continuing with the study on long-term social welfare planning.
- Continuing to implement and further develop the batterer intervention programme; and continuing to implement the anti-violence programme for abusers as provided under the Domestic and Cohabitation Relationships Violence Ordinance.
- Continuing to prevent and tackle domestic violence through public education and enhanced training for related professionals.
- Continuing to implement the pilot project on Child Fatality Review.

- Continuing to implement the Victim Support Programme for Victims of Family Violence to enhance support services for victims of domestic violence, including those undergoing the judicial process.
- Monitoring the implementation of the Domestic and Cohabitation Relationships Violence Ordinance.
- Enhancing transport services for persons with disabilities through improvements to rebus service, and examining ways of further improving accessibility of transport services.
- Promoting the spirit and core values enshrined in the United Nations Convention on the Rights of Persons with Disabilities in collaboration with the Rehabilitation Advisory Committee, the rehabilitation sector and the community at large.
- Continuing to implement the Pilot Scheme on Home Care Service for Persons with Severe Disabilities so as to strengthen community support for persons with severe disabilities and their carers.
- Continuing the legislative exercise for the Residential Care Homes (Persons with Disabilities) Bill and undertaking preparatory work for implementation of a statutory licensing scheme on the residential care homes for persons with disabilities so as to ensure their service quality.
- Continuing to implement the Pilot Bought Place Scheme for Private Residential Care Homes for Persons with Disabilities to help the market develop more service options for persons with disabilities.

- Upgrading subsidised residential care places to provide long-term care for frail elders.
- Subsidising outreaching services to help singleton and hidden elders develop social life, and strengthening the referral, counselling and support services to elders in need.
- Helping needy elders who live in dilapidated homes improve their home conditions through the Home Environment Improvement Scheme for the Elderly.
- Training additional Enrolled Nurses for the welfare sector.
- Working with the Elderly Commission to study how community care services can be enhanced to help elders age at home.
- Continuing with the pilot scheme to provide residential care homes for the elderly with visiting pharmacist services to strengthen their capability in drug management.
- Continuing with the District-based Scheme on Carer Training to strengthen the support to carers of elders.
- Continuing with the Pilot Scheme on Home Care Services for Frail Elders to provide tailor-made services for elders waiting for nursing home places.
- Continuing to develop elder academies and promote inter-generational integration in collaboration with the Elderly Commission and the Elder Academy Development Foundation Committee.

- Continuing to help Comprehensive Social Security Assistance recipients become self-reliant and integrate into the community through various support schemes.
- Continuing to implement in phases a series of measures to enhance training and retraining services, in accordance with the recommendations of the strategic review on the future directions of the Employees Retraining Board.
- Encouraging schools to collaborate with NGOs in providing school-based after-school learning and support services for needy students.
- Maintaining supply of public rental housing (PRH) for low-income households with housing needs with an average waiting time of around three years.
- Inviting NGOs for enhanced partnering functions with Estate Management Advisory Committees to promote community building and neighbourliness in public rental housing estates.
- Implementing a set of enhanced public housing arrangements to promote mutual family support and care for the elderly.
- Continuing to facilitate the implementation of an elderly housing project by the Hong Kong Housing Society on Tanner Road, North Point.
- Installing 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.

- Taking forward feasibility studies for the higher-ranking proposals under the assessment system for the provision of hillside escalator links and elevator systems.
- Implementing a series of measures to tackle the youth drug abuse problem, following long-term, holistic and sustainable policies recommended by the Task Force on Youth Drug Abuse led by the Secretary for Justice; and sustaining the enhanced efforts championed by the Chief Executive's Anti-drug Campaign. Major initiatives include –
 - (a) sustaining the territory-wide campaign against youth drug abuse to enhance community awareness and mobilise support from different sectors to tackle the problem;
 - (b) continuing to organise youth anti-drug abuse community programmes in the 18 districts to cultivate positive values amongst youngsters to steer them away from drugs;
 - (c) encouraging a wider use of hair drug testing services in the community;
 - (d) drawing up proposals to invite new and effective models of drug treatment and rehabilitation services; and
 - (e) continuing with rigorous law enforcement action, notably against cross-boundary drug abuse and trafficking.
- Seeking to implement the recommendations put forward by the Working Group on Mediation taking into account the public comments received.

Chapter 4

Optimising Our Demographic Structure And Attracting Talent

Preamble

Hong Kong faces the challenge of an ageing population. The proportion of elderly people in Hong Kong will rise rapidly over the next two decades, and 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 to education and vigorously develop retraining services.

To meet rising public expectations on healthcare services, the Government is progressively increasing resources to enhance public healthcare services and implement service reforms to address the issues of a changing demographic structure, increasing healthcare needs and rising medical costs.

We will continue to take measures that further enhance the long-term sustainability of the healthcare system including its financing arrangements. Based on the views expressed in the first stage public consultation on healthcare reform conducted in 2008, the Government has devised proposals for the next step in healthcare reform to initiate the second stage public consultation.

We have just put forward proposals for a Health Protection Scheme, which provides the public with the choice of government-regulated voluntary private health insurance that offers better consumer protection and enables sustained access to private healthcare services. The Scheme aims to rationalise the market structure and resource allocation in the healthcare system.

New Initiatives

We will:

- Increase publicly-funded first-year-first-degree places to 15,000 for each cohort and double progressively senior year intake places to 4,000 each year, from the 2012-13 academic year, using the shared funding model proposed for the new academic structure.
- Establish a \$2.5 billion endowment fund to provide scholarships and enhance quality of teaching and learning in support of the development of self-financing post-secondary sector.
- Launch a pilot exercise in some public sector schools to strengthen schools' internal administration management and further reduce teachers' administrative work.
- As part of the primary care development strategy, launch a two-year advocacy campaign starting end 2010 in partnership with healthcare professionals to raise public awareness of the importance of primary care in disease prevention and management, and encourage the public to adhere to the core values of good primary care, including adopting a proactive approach in improving health.
- Formulate suitable land disposal arrangement for the four sites reserved for private hospital development at Wong Chuk Hang, Tseung Kwan O, Tai Po and Lantau, and plan for disposal of the four sites by phases starting from end 2011 or early 2012.

- Further strengthen the community platform for the provision of mental health services. The Hospital Authority (HA) will enhance collaboration with the social welfare sector in providing intensive community support for persons with mental illness. To this end, we will –
 - (a) roll out the case management programme to more districts to provide intensive community support to persons with severe mental illness;
 - (b) roll out the integrated mental health programme to all HA clusters to provide assessment and treatment services for people with common mental disorders in primary care setting;
 - (c) expand the target clients of the “Early Assessment and Detection of Young Persons with Psychosis” programme to cover adults; and
 - (d) further enhance community psychiatric services and psychogeriatric outreach services.
- Set up dedicated teams comprising different healthcare professionals to enhance the medical services for autistic children and the support to their parents and carers.
- Support the Hong Kong Academy for Performing Arts to migrate to a four-year undergraduate structure from the 2012-13 school year, in line with the implementation of the new academic structure for senior secondary education and higher education academic system.

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 (PEVS).
- Planning with four remaining primary schools to turn into whole-day schooling.
- Implementing the fine-tuning of medium of instruction for secondary schools in the 2010-11 school year, starting from Secondary 1.
- 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.

- Continuing to implement the new academic structure (NAS) through professional capacity building and supporting secondary schools and tertiary institutions, and conduct evaluation studies on NAS to collect feedback from different stakeholders and inform future planning.
- 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.
- Continuing to implement measures to enhance the learning and teaching of English in primary schools including attracting talent to the teaching profession; enhancing the professionalism of serving teachers; and providing additional resources for primary schools to develop school-based enhancement measures and to enrich their English language environment in schools.
- Promoting overseas exchange programmes to nurture students' global perspective and encouraging their participation in international events and activities.
- Implementing small class teaching in public sector primary schools starting from Primary 1 since the 2009-10 school year.

- Continuing to implement 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, and stepping up promotion in the region.
- Continuing to organise Mainland curriculum related study trips and exchange programmes for teachers and students of both primary and secondary schools as well as to give support in the form of professional development programmes and provision of teaching resources to empower teachers to promote national education through the school curricula.
- Reviewing the Post-Secondary Colleges Ordinance (Cap. 320) to provide a legal framework to facilitate the development of self-financing post-secondary education institutions with potential and capabilities.
- Continuing to explore the possibility of allowing more Mainland students to study in Hong Kong.

- Continuing to take forward the recommendations made by the Working Group on Textbooks and E-learning Resources Development, including preparation for the implementation of debundling textbooks and teaching materials for pricing, launching of the pilot scheme on E-learning in schools, as well as the acceleration of the development of the online depository of curriculum-based learning and teaching resources, with a view to enhancing students' effectiveness in learning.
- Reviewing the implementation of PEVS for continuous improvement to the quality of pre-primary education.
- Putting forward proposals for gauging public views on how to improve the operation of the non-means-tested loan schemes for students pursuing post-secondary and continuing and professional education, during the second phase of the review.
- 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 with a view to streamlining the arrangements for the entry of talents and professionals.

- Conducting the second stage public consultation on healthcare reform on the proposals for a Health Protection Scheme. The Scheme aims to provide the public with the choice of government-regulated voluntary private health insurance that offers better consumer protection for those who choose to subscribe and enables them to have sustained access to private healthcare services. The Scheme also aims to ease the pressure on the public healthcare system, thereby enhancing public healthcare services and serving target population groups including the low-income families and under-privileged groups more effectively.
- In accordance with the direction of the healthcare reform, making use of the increased government funding for healthcare to strengthen existing healthcare services and implement various service reforms, including the following on-going initiatives –
 - (a) Continuing to refine our strategy for the long-term development of primary care in Hong Kong based on the recommendations of the Working Group on Primary Care, and co-ordinate, with the support of the Primary Care Office under the Department of Health, its implementation through engagement with the relevant professions and stakeholders, including the following initiatives –
 - (i) develop primary care conceptual models and reference frameworks for specific diseases and age/gender groups, promote their use among healthcare professionals, and raise public awareness of them;

- (ii) set up a Primary Care Directory to promote enhanced primary care through the family doctor concept, facilitate a multi-disciplinary approach in delivering primary care services, and encourage continuous training and education among primary care professionals;
 - (iii) devise feasible service models to deliver enhanced primary care services in the community through appropriate pilot projects, including setting up community health centres and networks to provide more comprehensive and co-ordinated primary care services through cross-sectoral collaboration, and implement pilot projects to enhance primary dental care and oral health promotion particularly for the elderly; and
 - (iv) implement a series of pilot projects to strengthen healthcare support for chronic diseases to facilitate early detection, prevention and treatment; to raise the awareness of chronic disease patients and their carers and enhance their disease management ability; to encourage need-based and risk-based proactive care for secondary prevention; and to facilitate early prevention and intervention of complications to reduce the need for hospitalisation.
- (b) Continuing the three-year pilot scheme launched in early 2009 to provide five health care vouchers per year of \$50 each to elderly aged 70 or above as partial subsidy for their use of private primary care services in their neighbourhood community, and conducting an interim review of the scheme;

- (c) Building a hospital in Tin Shui Wai to strengthen medical services in the district;
- (d) 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;
- (e) Enhancing public healthcare services through public-private partnership to increase service volume, reduce waiting time, offer additional choices for patients, and enhance cost-effectiveness. Continuing to plan and implement a series of pilot projects, including: subsidising specific groups of patients under the care of public general out-patient clinics to receive primary care services from the private sector in Tin Shui Wai; implementing Public-Private Chronic Disease Management Shared Care Programme; purchasing haemodialysis service from private centres for end stage renal disease patients currently under the care of public hospitals; and extending the Cataract Surgeries Programme, etc;

- (f) Continuing to explore other public-private partnership initiatives to facilitate integration of the public and private healthcare sectors, promote healthy competition in order to improve service quality and professional standards, and provide more choices for the public;
- (g) Under the Electronic Health Record Office, continuing to (i) develop a territory-wide patient-oriented electronic health record sharing system based on express and informed consent for sharing health records of patients among healthcare providers so as to provide a pivotal infrastructure for implementing healthcare reform, (ii) formulate a legal, privacy and security framework for the protection of personal data privacy and system security, and (iii) promote the partnership of public and private sectors;
- (h) 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;
- (i) Planning to conduct public consultation in 2011 on legal, privacy and security framework for protecting the privacy of personal data in electronic health records;
- (j) Enhancing professional training and facilitating professional development for medical and healthcare practitioners, and improving their working arrangements; and

- (k) Overseeing the implementation of the 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 with the full implementation of the registration of proprietary Chinese medicines.
 - Preparing for the establishment of four public Chinese Medicine clinics, thereby increasing the number of clinics from 14 to 18, so as to enhance 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.
 - Implementing a multi-pronged strategy to minimise the risk of avian influenza outbreaks.
 - 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 improving case reporting.
 - Continuing our efforts in tobacco control through the multi-pronged approach of publicity, promotion, education, legislation, taxation and smoking cessation, and implementing 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 of the stakeholders.
- Through collaboration with relevant organisations, continuing to promote registration for organ donation on the Central Organ Donation Register among the public.
- Continuing the subsidy scheme for elderly aged 65 and above to receive seasonal influenza and pneumococcal vaccinations to enhance primary care and disease prevention.
- Implementing the recommendations of the Review Committee on the Regulation of Pharmaceutical Products in Hong Kong to strengthen the regulatory control on the supply of drugs and to raise the standard of the pharmaceutical sector with a view to ensuring patients' safety and safeguarding public health. Legislative amendments will be prepared.

Chapter 5

Developing Democracy And Enhancing Governance

Preamble

Hong Kong has taken a critical step forward in its constitutional development. The proposed package for the 2012 elections was passed by a two-thirds majority of all the members of the Legislative Council, given consent by the Chief Executive and endorsed by NPCSC. This is an important milestone for Hong Kong's constitutional development. For the first time since the establishment of the HKSAR, we have managed to complete the "five-step mechanism" as set out in the Basic Law and the NPCSC's Interpretation of 2004 to amend the electoral methods for the Chief Executive and the Legislative Council. This will give the Hong Kong community greater confidence in and a stronger basis for forging consensus on constitutional development in future and pave the way for implementing universal suffrage for the Chief Executive and the Legislative Council in 2017 and 2020 respectively. In order to take forward this package, we will proceed with the local legislative process as soon as possible.

Apart from pursuing the development of democracy, we will also enhance governance and improve the quality of public services. 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:

- Introduce legislative amendments into the Legislative Council (LegCo) to prescribe, under local legislation, the detailed arrangements regarding the methods for selecting the Chief Executive (CE) and for forming the LegCo in 2012.
- Work closely with the Electoral Affairs Commission to make practical arrangements to ensure that the 2011 District Council election, the 2011 Election Committee Subsector Elections and associated electoral arrangements will be conducted in fair, open and honest manner in accordance with the relevant legislation.
- Introduce legislative amendments to increase the number of elected seats for the 2011 District Council election, and put forth proposals concerning the abolition of the District Council appointment system for consultation with the LegCo and the public.
- Facilitate the adoption of Web 2.0 technology by bureaux and departments in public engagement.
- Seek to introduce a Bill to provide for the establishment of an electronic database of Hong Kong legislation and provide for the publication of laws with a legal status in both electronic and hard copies.

- Enhance support to youth development activities, including enhancing district network of the Commission on Youth with a view to helping youths cultivate a positive approach to life and fulfill civic duties.
- Enhance communication with youths and encourage them to participate in community affairs, including organising more exchange sessions with them.
- Formulate proposals to enhance the remuneration package for members of District Councils in order to keep pace with the changing circumstances.
- Launch a two-year “Service Corps” programme to provide opportunities for youngsters to serve, with a token stipend, in under-privileged areas in the Mainland for six to twelve months by providing knowledge training on education, hygiene and environmental protection, among others.
- Strengthen integrity-building efforts for tertiary students through the development of teaching modules on personal and professional ethics in conjunction with tertiary education institutions, to be supplemented with the launch of an association for “ICAC Ambassadors” recruited from tertiary education institutions.

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.
- Preparing for the implementation of the improved arrangements for village representative elections in the next village ordinary election in 2011, after the enactment of the Village Representative Election Legislation (Miscellaneous Amendments) Ordinance 2009 and the Voting by Imprisoned Persons Ordinance in 2009.
- 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.
- 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.
- Continuing to work with the Commission on Youth, Committee on the Promotion of Civic Education and youth uniformed groups to provide young people with appropriate non-formal education and training, make use of the Youth Square to enhance the promotion of youth development and civic education, particularly on the civic and social participation of young people and the promotion of national education.
- Continuing to organise various national education activities in collaboration with the Commission on Youth, Committee on the Promotion of Civic Education and major community organisations.
- Continuing to enrich the content and develop the features of the Youth Portal to provide more useful and interesting information and services for local youth aged 15 to 24.
- 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 to 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 resources 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 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 the removal of under-performers under the established procedures while sustaining efforts to further improve efficiency and productivity in the civil service.
- Continuing the Be the Smart Regulator Programme to improve the clarity, efficiency and relevance of regulatory and licence arrangements.

- Monitoring the reports of the major international competitiveness ranking institutes to identify opportunities for continuous improvements in the delivery of public services.
- 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; managing public finances with regard to the principles of commitment to society, sustainability and pragmatism; 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.
- 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 implement a Dedicated Team in the District Lands Office (Hong Kong West and South) for handling lease modification and land exchange applications; to centralise premium determination of high impact cases at the Lands Department Headquarters; and continuing to find ways to expedite the processing of land transactions.

- Improving the quality and efficiency of legal advice, the preparation in criminal cases and the standards of advocacy through comprehensive training programmes for prosecutors and making better use of resources.
- Enhancing the quality of criminal justice by promoting transparency in public prosecutions and improving our accountability to the community we serve.
- Promoting co-operation amongst prosecutors at the regional and global level by actively participating in the work of the various international prosecutors organisations.
- Continuing to design and implement new processes, tools and governance arrangements for government IT-enabled change projects to maximise the realisation of business benefits.
- Continuing to develop and implement electronic information management strategies for bureaux/departments to provide a convenient and efficient way to create, access and use accurate, timely and complete information about government business.
- 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.

- 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.
- Enhancing the measures to further assist Hong Kong residents travelling abroad. These include a three-colour Outbound Travel Alert System; services of the “Assistance to Hong Kong Residents Unit” of the Immigration Department; and relevant contingency mechanism.
- Continuing to implement the enhanced mechanism for screening torture claims, with a view to formulating legislative proposals to underpin the screening mechanism in the future.
- Continuing our integrity-building endeavours across the spectrum from kindergarten to secondary school students.