

The 2011-12 Policy Address
Policy Agenda

Policy Agenda

Introduction

The overall situation in Hong Kong has been improving continuously after the financial tsunami. During the first half of this year, our economy has grown by 6.3%, with unemployment dropping to the latest low level of 3.2% in June-August this year.

In the past few years, the Government's priorities have been to narrow the wealth gap and support the working-poor households so as to enable everyone to share the fruits of economic prosperity.

The minimum wage policy was formally implemented in May this year following the passage of the relevant bill and approval of the initial statutory minimum wage rate by the Legislative Council. The introduction of a minimum wage can raise the wage levels of low-income workers, which is vital in alleviating poverty. In addition, the introduction of a territory-wide Work Incentive Transport Subsidy Scheme for employed persons from low-income households, the return of fiscal surplus to the public and various relief measures announced in the Budget are expected to be effective in improving the situation of low-income families.

Housing has been a major social issue during the past year. In the face of the rising prices of private residential properties in recent years, people have become increasingly concerned about the challenges to home ownership. A healthy and stable property market is in the

interest of the community as a whole. The measures introduced last year and earlier this year to increase land supply to tackle the problem at source, combat speculative activities, enhance the transparency of property transactions, and prevent excessive expansion in mortgage lending have been effective. In the long term, we need to ensure an adequate supply of land to solve the housing problem.

Hong Kong is on the right track in its constitutional development. We will endeavour to ensure that elections at all levels are held smoothly to pave the way for democratic development in Hong Kong. We will also make every effort to create a harmonious political environment conducive to economic development and conflict resolution over livelihood issues in order to make Hong Kong a better place to live and work and a peaceful and progressive society.

Chapter 1

Developing the Infrastructure for Economic Growth

Preamble

The 10 major infrastructure projects announced by the Chief Executive are being implemented as scheduled. Among them, the Hong Kong-Zhuhai-Macao Bridge, the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Kai Tak Development Plan Stage 1 and the South Island Line (East) have commenced construction, and the design of the Shatin to Central Link will be completed soon.

Apart from the 10 major infrastructure projects, we have also forged ahead with government works projects to improve our urban environment and create employment opportunities. The annual expenditure on capital works projects will exceed \$60 billion for each of the next few years.

To ensure that Hong Kong can better leverage its unique advantages and functions during the National 12th Five-Year Plan period, we will strive to enhance Hong Kong's status as a centre for financial services, trade and shipping while consolidating 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 overall competitiveness, improve the business environment and step up regional co-operation on all fronts.

New Initiatives

We will:

- Set up a five-year dedicated fund of \$1 billion to support Hong Kong enterprises in developing their brands, promoting domestic sales and upgrading and restructuring their operation in the Mainland, so as to help them capture the opportunities arising from the National 12th Five-Year Plan.
- Review the operation and regulatory framework of the tourism sector in Hong Kong and announce the substantive reform proposals in the fourth quarter of 2011.
- Explore with the Ocean Park the feasibility of developing Tai Shue Wan as a new integrated theme zone.
- Explore with the Hong Kong Disneyland the feasibility of further expansion within the existing area of the park after completing the current expansion plan.
- Review the Patent System to ensure that it continues to meet present-day circumstances and is commensurate with our efforts to develop Hong Kong into a regional innovation and technology hub, and announce the proposed way forward in the first half of 2012.
- Establish the Communications Authority as the unified regulator for telecommunications and broadcasting.
- Develop the new Broadcasting House in Tseung Kwan O as Radio Television Hong Kong's headquarters to support its development.

- Make available to the market radio spectrum in 2.3 GHz and 2.5-2.6 GHz bands for the further development of 4G public mobile communications services.
- Issue guidelines on the implementation of fair usage policy for the provision of fixed and mobile broadband services for compliance by telecommunications service operators.
- Implement a spectrum utilisation fees charging scheme for administratively assigned spectrum with a view to encouraging more efficient use of the scarce frequency resources.
- Develop a Government Cloud Computing platform aiming at more agile and cost-effective delivery of common e-government infrastructure and services such as electronic information management and collaborative working, and facilitating development of the local information and communications technology industry (ICT).
- Facilitate the development of high-tier data centres.
- Review the Small Entrepreneur Research Assistance Programme with a view to better supporting the research and development (R&D) of small and medium-sized enterprises (SMEs).
- Set up the Hong Kong Economic, Trade and Cultural Office in Taiwan, with a view to further promoting the long term co-operation and exchanges between Hong Kong and Taiwan.

- By participating in the promotion of Nansha development, open up a larger hinterland for Hong Kong enterprises and service providers. Areas of co-operation include development of a demonstration zone for implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and its early and pilot implementation measures; promoting the upgrading and transformation of Hong Kong invested enterprises, as well as co-operation on social and welfare services between Hong Kong and Guangzhou.
- Strengthen and deepen multi-faceted regional co-operation with the Chengdu-Chongqing area and Fujian. We plan to set up dedicated liaison units in Chongqing and Fujian.
- Adopt a visionary, co-ordinated and integrated approach to transform Kowloon East (including Kai Tak Development, Kowloon Bay and Kwun Tong) into an attractive core business district to sustain Hong Kong's economic development. Specifically, this will involve land use review, enhanced urban design, improved connectivity and the associated infrastructure.
- Extend the application period of the measures to revitalise industrial buildings for three years until 31 March 2016 and refine the measures in response to market needs so as to provide more suitable premises through redevelopment or wholesale conversion of under-utilised industrial buildings to meet Hong Kong's changing economic and social needs.
- Commence a study to develop procurement approaches to promote innovation and creativity in the delivery of public works projects.

- Carry out studies and public engagement exercises on increasing land supply by reclamation on an appropriate scale outside Victoria Harbour and rock cavern development to meet the land demand for Hong Kong's long-term social and economic needs.
- Consult the public on the initial findings of the Environmentally Friendly Linkage System (EFLS) Study for the Kai Tak Development to improve connectivity between new and old districts, promote tourism, revitalise adjacent old districts and provide opportunity to create a second major office node in Kowloon East to enhance the long term competitiveness of Hong Kong.
- Commence a feasibility study on the relocation of Shatin Sewage Treatment Works to rock cavern so as to release the original site for housing and other uses.
- Commence a feasibility study on the relocation of Mount Davis and Kennedy Town Fresh Water Service Reservoirs to rock caverns so as to release the original sites for housing and other uses.
- Work closely with the Mainland authorities under the CEPA framework to ensure effective implementation of pilot schemes for Hong Kong construction and related engineering professionals to register and practise in Guangdong.
- Liaise and work with the relevant Mainland Authorities, the legal profession and arbitration institutions in Hong Kong on how to take further the new measures introduced to facilitate the provision of legal and arbitration services in Qianhai, Shenzhen by Hong Kong service providers.

- Extend the ambit of the Start-up Loan Scheme to provide financial support for self-financing degree awarding institutions to develop student hostels.
- Increase the total commitment of the Start-up Loan Scheme by \$2 billion to assist self-financing post-secondary institutions in developing college premises and related facilities.
- Work together with the Securities and Futures Commission and the Hong Kong Monetary Authority to establish a regulatory regime for over-the-counter derivatives in accordance with a G-20 recommendation.
- Work with the Mandatory Provident Fund Schemes Authority (MPFA) and the other relevant regulators to introduce a bill into the Legislative Council in Q4 2011 to enhance the regulation of Mandatory Provident Fund (MPF) intermediaries and provide for the establishment of an e-platform by MPFA to facilitate the transfer of MPF accrued benefits. This will enable the implementation of the Employee Choice Arrangement in the second half of 2012.
- Liaise closely with the MPFA on the improvement of the MPF system, including the withdrawal of MPF accrued benefits and the funding mechanism for the MPF Schemes Compensation Fund.
- Modernise the insolvency provisions under the Companies Ordinance, with a view to facilitating more efficient administration of the winding-up of companies and enhancing protection of creditors, having regard to international experience and practices.

On-going Initiatives

We are:

- Continuing to complement the Shenzhen authorities in pushing forward the development of modern service industries in Qianhai, including the implementation of the “Overall Development Plan on Hong Kong/Shenzhen Co-operation on Modern Service Industries in Qianhai Area”, with a view to encouraging Hong Kong enterprises and service providers to capitalise on the opportunities to open up the Mainland market.
- 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 stakeholders and Mainland authorities on the implementation of the various policy initiatives under the National 12th Five-Year Plan, so as to consolidate and enhance Hong Kong’s competitive advantages and to enable us to make timely and effective contribution to the social and economic development of the Mainland.
- 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 including Southeast Asia, 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 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, cultural 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, the Hong Kong-Taiwan Business Co-operation Committee and the Hong Kong-Taiwan Cultural Co-operation Committee.
- Promoting co-operation among major venues and fair organisers 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.
- Working closely with the Legislative Council and relevant stakeholders to enable early enactment of the Copyright (Amendment) Bill 2011 for strengthening copyright protection in the digital environment.
- 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, fortifying our certification scheme for wine storage facilities, combating counterfeits, and collaboration with trading partners.
- Continuing to take 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 working in concert with the industry to prepare for the mandatory use of the electronic "Road Cargo System" from mid-November 2011 which enables easy and efficient customs clearance of road cargoes.
- Pressing ahead with the enactment of the Pyramid Schemes Prohibition Bill with the objective of enabling more effective enforcement over objectionable, deceptive pyramid schemes.
- 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" in strengthening MICE (meetings, incentive travels, conventions and exhibitions) promotion and continuing partnership with our local and overseas networks to attract more major international MICE events to 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 Government and the tourism industry to facilitate the operation and development of major tourism infrastructure facilities, including –

- (a) overseeing the implementation of the Aberdeen Tourism Project, the construction works of which is planned for commencement in end 2011;
 - (b) the planning and co-ordination of enhancement projects at the Lei Yue Mun waterfront and Tsim Sha Tsui;
 - (c) liaising closely with the Ocean Park and relevant parties to facilitate the smooth implementation of the Park's redevelopment and hotel projects; and
 - (d) overseeing the implementation of the Hong Kong Disneyland's current expansion plan to ensure its timely completion.
- Capitalising on the opportunities presented by the National 12th Five-Year Plan in science and technology collaboration with the Mainland. Providing financial assistance to Partner State Key Laboratories in Hong Kong to enhance their research capability.
 - 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.
 - Working closely with the Hong Kong Science and Technology Parks Corporation on the development of Science Park Phase 3 and the revitalisation of industrial estates.
 - Promoting applied R&D and technology transfer to the industry through the R&D Centres (including the Hong Kong Applied Science and Technology Research Institute) and the Innovation and Technology Fund.

- Reviewing and refining 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.
- Working 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.
- Extending the coverage of digital terrestrial television (DTT) network, monitoring the DTT take-up rate and preparing for the target Analogue Switch Off by end 2015.
- Continuing to examine the feasibility of introducing radio spectrum trading in Hong Kong.
- Overseeing the consultancy study on the implications of the development of the next generation networks on the regulation of telecommunications services for mapping out the way forward.
- Implementing 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.
- Mapping out the way forward in consultation with the concerned operators on 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.

- Pursuing key initiatives under the Digital 21 Strategy including facilitating the setting up of data centres in Hong Kong, nurturing ICT manpower, and developing a government private cloud so as to harness the benefits of IT for business including SMEs and strengthen Hong Kong's position as a leading digital city in the world.
- Implementing the next generation GovWiFi programme.
- Continuing with the procurement arrangement for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.
- 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.
- 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.
- Continuing to collaborate 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.

- Carrying out the detailed design for the Liantang/Heung Yuen Wai Boundary Control Point project with a view to completion in 2018.
- Continuing with the North East New Territories New Development Areas (NDAs) Planning and Engineering Study comprising Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling NDAs for completion in 2013 with a view to providing housing land and land to meet other land use requirements in the future. We commenced the Hung Shui Kiu NDA Planning and Engineering Study in August 2011 and aim to complete the Study in 2014.
- 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 2013. 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.

- 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.
- Continuing to work closely with the Construction Workers Registration Authority to facilitate registration of construction workers and implementation of prohibition in phases.
- Continuing to strengthen 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 to take forward its short term land use project in the remaining portion of Area 112, as well as to bring to fruition as early as possible its senior citizens housing project at Area 115 of Tin Shui Wai which has obtained Town Planning Board’s approval.

- Working closely with the Mainland authorities under the CEPA framework for the implementation of pilot schemes with an aim to seek further market access for Hong Kong enterprises to establish construction and related engineering business in Guangdong Province.
- Continuing to administer the Land Grant Scheme for the allocation of 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, to support the development of the West Kowloon Cultural District (WKCD).
- Implementing the WKCD project together with the WKCD Authority which includes submission of the Development Plan to the Town Planning Board, initiating the design process for the early phase of development, co-ordinating the interface issues with infrastructure projects in the vicinity, 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 Tuen Mun Western Bypass.
- Overseeing the implementation of the improvement of the expressway section and the widening of the town centre section of Tuen Mun Road.

- Continuing to pursue with the Airport Authority the Hong Kong International Airport Master Plan 2030.
- 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 (PRD) Region.
- Replacing the Civil Aviation Department's (CAD) air traffic control system and developing a new CAD Headquarters on the Airport Island to support the long-term growth of the aviation industry.

- 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.
- 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 project for the completion and commissioning of the Bridge by 2016. For this, the three governments concerned have finalised the financing arrangements with the lead bank. As regards the local projects, detailed design of the superstructures and infrastructures of the Hong Kong Boundary Crossing Facilities commenced in December 2010, while the preparatory work of design and construction of the Hong Kong Link Road is underway. Our aim is to tally the commissioning of these projects with that of the Main Bridge in 2016.
- 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.
- Monitoring the progress of the works of the South Island Line (East) and the Kwun Tong Line Extension for timely commissioning in 2015.
- Continuing to pursue the planning of the Northern Link in conjunction with the planned developments in the New Territories.
- Continuing to launch the sale of the remaining surplus Home Ownership Scheme flats.
- 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.
- 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.
- Enhancing legal co-operation with Guangdong pursuant to the Framework Agreement on Hong Kong/Guangdong Co-operation.

- 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, with a view to developing Hong Kong as an offshore Renminbi business centre and an international asset management centre as well as enhancing the global influence of our financial centre as supported by the National 12th Five-Year Plan.
- 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.
- Reviewing and strengthening the supervisory framework for authorized institutions in Hong Kong to further enhance the resilience of Hong Kong's banking system and reinforce our role as an international financial centre, in the light of the recommendations from the Financial Stability 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 bond market, including Islamic bonds, in Hong Kong. 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 enacting the legislation to oblige listed corporations to disclose price sensitive information in a timely manner; and facilitating the implementation of a scripless securities market.
- Preparing key legislative provisions for the establishment of an independent Insurance Authority for further consultation with the public and stakeholders.
- Continuing the legislative exercise to rewrite the Companies Ordinance to provide Hong Kong with a modernised legal infrastructure to facilitate business and enhance corporate governance.
- Preparing legislation to update the Trustee Ordinance with a view to strengthening the competitiveness of Hong Kong's trust services industry.
- Preparing for the commencement of the newly enacted Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance on 1 April 2012 to enhance the anti-money laundering regulatory regime in respect of the financial sectors.

- Preparing consultation conclusions and detailed legislative proposals for the establishment of a policyholders' protection fund.
- Preparing for the establishment of a cross-sector investor education council and a financial dispute resolution centre to enhance investor protection.
- Studying how best to take forward the proposal to introduce a new corporate rescue procedure, as part of the new initiative to modernise the insolvency provisions under the Companies Ordinance.
- 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 assist SMEs including in particular those operating in the PRD in strengthening business ethics through the joint efforts 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. 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 PRD 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. Moreover, we will strengthen our cultural software, develop our audience base, and support more small and medium arts groups to tie in with the development of the West Kowloon Cultural District, which is proceeding as planned.

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

New Initiatives

We will:

- Oversee the progressive launch of digital audio broadcasting services by three commercial licensees and Radio Television Hong Kong as from late 2011/early 2012.
- Sponsor or organise large-scale promotion events to help the creative industries tap the Mainland and overseas market.
- Encourage exchanges among the creative talent in the Greater China Region, including sponsoring the organisation of exchange activities in Hong Kong, visits by local creative talent to creative events held in the Mainland and Taiwan, and studies on the development of creative talent in Hong Kong's neighbouring region.
- Collaborate with the Hong Kong Design Centre and other stakeholders to organise "Hong Kong Design Year" which will bring to the community various promotional activities to celebrate design excellence and vibrancy of the city.
- Enhance the support to the Hong Kong Design Centre to further drive the development of the local design sector.

- Collaborate with the Construction Industry Council on the development of a zero carbon building cum public open space to showcase state-of-the-art eco-building design and technology to the construction industry internationally and locally and to raise community awareness of sustainable living.
- Organise an international conference on heritage conservation in December 2011 to promote international exchange of insight and experience among esteemed heritage conservation professionals from both the public and the private sectors.
- Conduct a consultancy study on the feasibility, framework and implementation plan for setting up a statutory heritage trust in Hong Kong to take forward future heritage conservation efforts.
- In consultation with tree management departments, review the existing arrangements for tree risk management, including the manpower development arrangement, with a view to better protecting public safety through uplifting professional standard.
- Review the Drainage Master Plans in East Kowloon and West Kowloon with a view to assessing the flooding risks in these urban districts and proposing improvement measures.
- Conduct a study to identify stream courses with flooding risks and devise a warning system for residents living in adjacent areas.
- Arrange for the purchase and wholesale conversion of an existing industrial building for accommodating office facilities of Water Supplies Department.

- Explore the use of reclaimed water for toilet flushing and other non-potable uses in Sheung Shui, Fanling and the New Development Areas in the north-eastern part of the New Territories.
- Set up a dedicated team to oversee the formulation and implementation of water conservation measures.
- Promote efforts in combating climate change by carrying out carbon audits on major Government buildings and public facilities; encouraging companies to participate in identifying more room for carbon reduction; and exploring the possibility of setting up a carbon footprint repository.
- Enhance community participation in environmental protection through district-based education, promotion and publicity programmes and activities organised or sponsored by District Councils, so as to garner support from the community and encourage participation in waste reduction, energy and water conservation.
- Explore with the governments of Guangdong, Shenzhen and Macao the feasibility of requiring ocean-going vessels to switch to low-sulphur diesel while berthing at ports of Hong Kong and the PRD as well as setting up an Emission Control Area in PRD waters over the longer term; and study in collaboration with the relevant trades the feasibility of improving the quality of marine fuels sold locally to reduce emissions from vessels.
- Amend the Air Pollution Control Ordinance to ban all forms of asbestos.

- Strengthen the control of emissions from petrol and liquefied petroleum gas (LPG) vehicles using remote sensing equipment and advanced emission test; and set aside \$150 million for providing a one-off subsidy to owners of LPG taxis and light buses for replacing catalytic converters of their vehicles.
- Fund the purchase of 36 electric buses for trial by franchised bus companies, to test their performance and collect operational data.
- Expand the LPG filling network by searching for new sites suitable for use as petrol-cum-LPG stations and by incorporating suitable conditions in future tendering of petrol-cum-LPG filling stations a requirement on the minimum size of LPG filling facilities subject to safety and relevant considerations.
- Support the local environmental industry to participate in environmental exhibitions, trade missions and related events with a view to promoting the development and business opportunities of the industry in the Mainland and overseas.
- Prepare legislation to amend the Pesticides Ordinance to fulfill the obligations of the Hong Kong Special Administrative Region (HKSAR) under the Stockholm Convention on Persistent Organic Pollutants and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.
- Formulate a licensing scheme to enhance regulation of private columbaria and consult the public on relevant proposals.

- Make a regulation under the Food Safety Ordinance to extend the existing import control regime for meat and poultry to cover poultry eggs.
- Amend the Harmful Substances in Food Regulations to prohibit the presence of hormones of exogenous origin in dried milk, condensed milk and reconstituted milk.
- Introduce monthly tickets for public swimming pools to encourage members of the public to swim regularly. Concessionary rates will be available for the elderly, people with disabilities, students and children.
- Align the fees for using public sports facilities and services in the urban area and the New Territories.
- Review the redevelopment potential of existing aged public rental housing estates so as to optimise the use of resources.

On-going Initiatives

We are:

- 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 PRD.
- Promoting the development of the film industry through organising film festivals and business matching activities outside Hong Kong; promoting the business model of "multi-media, cross platform"; and facilitating the development of a digital distribution network.
- 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 talent 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 our creative talent to participate in overseas competitions to showcase Hong Kong's creativity and to enhance the international profile of local creative talent.

- Working closely with our creative industries to further develop the signature events that have been successfully launched in Hong Kong 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.
- Supporting the use of the online and smartphone platforms that have been developed for individual creative sectors in exploring new markets and promoting Hong Kong's creative industries worldwide. These platforms include the "build.hk" showcasing local architectural works, as well as the "Hong Kong Comics" that facilitates promotion and distribution of Hong Kong comics locally and overseas through smartphone applications.
- Working closely with the selected non-profit-making organisation (NPO) and its partners to implement the project of transforming the former Police Married Quarters on Hollywood Road into a creative industries landmark.
- Processing the applications for domestic free television programme service licence submitted by commercial operators.
- Gearing up for the launch of digital audio, digital television and community involvement broadcasting services for Radio Television Hong Kong.
- Overseeing the rollout of broadcast-type mobile television services by February 2012.
- Organising a wide range of promotional activities including the InnoTech Month during November 2011 to enhance the community's awareness of innovation and technology.

- Considering the way forward on the review of the Control of Obscene and Indecent Articles Ordinance.
- Continuing to enhance e-government services by enriching the Governmental portal, GovHK, to provide more personalised interface to suit individual needs for information and services, launching mobile applications and facilitating value-added re-use of public sector information.
- Continuing to implement green data centre strategy and practices within the Government with a view to reducing carbon footprints and environmental impact in government data centre operations.
- Continuing to provide diverse learning experiences for students, teacher professional development programmes and learning and teaching resources conducive to unleashing and realising the design and creativity potentials of students.
- 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 have access to quality and diverse cultural contents.

- Using 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. Through the new Arts Capacity Development Funding Scheme, funding will be provided to enhance capacity development of promising arts groups and art practitioners as well as activities/projects of a large scale and/or a long time. The Scheme offers Project Grants and Springboard Grants, the latter matches private sponsorship to cultivate a supportive culture for the arts in the community and to foster a tripartite partnership among the Government, arts groups and the private sector to promote arts and cultural development in Hong Kong.
- Overseeing the implementation of the new Urban Renewal Strategy promulgated in February 2011, with particular emphasis on the work of the Kowloon City District Urban Renewal Forum and the Urban Renewal Trust Fund as well as alternative approaches to redevelopment undertaken by the Urban Renewal Authority (URA).
- 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 and maintenance in the downstream, with effective steer and co-ordination across departments in tree management, enhancement of professional expertise and increased community involvement.
- Working closely with the Legislative Council in the examination of the Lifts and Escalators Bill 2011 with an aim to strengthen the regulatory control over lift and escalator safety as early as possible.

- Continuing with the implementation of the “Water Efficiency Labelling Scheme” 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 with the invitation for proposals for the third batch of historic buildings under the “Revitalising Historic Buildings Through Partnership Scheme”. We will assess the revitalisation proposals received and work closely with the selected NPOs to implement the projects.
- 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 implementation of the comprehensive water mains replacement and rehabilitation programme.
- Continuing with the programme to complete the decking and/or landscaping of 16 sections of nullahs to improve the living environment, with 12 sections completed and the remaining to be completed in stages from 2012.

- Continuing with 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.
- Continuing with the development of Greening Master Plans for the New Territories.
- Overseeing the implementation of the “Public Open Space in Private Developments Design and Management Guidelines” for the better provision of public open space in private developments.
- Continuing with the implementation of the package of measures to enhance building design to foster a quality and sustainable built environment and to control the problem of “inflated buildings”.
- Developing a performance-based regulatory system to facilitate modern and innovative building design.
- Working closely with the Legislative Council in the examination of the subsidiary legislation for implementing the mandatory building inspection scheme and mandatory window inspection scheme to require private building owners to inspect their buildings and windows regularly with a view to implementing the two schemes as early as possible.

- Continuing to work closely with the Hong Kong Housing Society and the URA to assist owners in need to carry out repair and maintenance works, including the \$3.5 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.
- Working closely with the Legislative Council in the examination of legislative amendments to enhance building safety, including enhanced control over advertising signboards and “sub-divided units”.
- Taking rigorous enforcement actions against unauthorised building works and responding efficiently to complaints against contraventions of the Buildings Ordinance.
- Continuing to implement 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 end 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 to monitor the implementation of the pilot mediation scheme commissioned in January 2011 to encourage parties involved in or contemplating applications for compulsory sale for development under the Land (Compulsory Sale for Redevelopment) Ordinance to undertake mediation.
- 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.
- Implementing the revised schemes for the West Rail property development projects not yet tendered to comply with the requirements of quality and sustainable built environment and to increase the supply of small and medium-sized flats.
- Continuing to strengthen our work on harbourfront planning and rolling out more harbourfront enhancement initiatives for the enjoyment of residents and visitors alike. Our planning, land use and urban design of the harbourfront should be in line with our stated mission to protect Victoria Harbour, in collaboration with the Harbourfront Commission and the wider community.
- Continuing to provide through the Development Opportunities Office one-stop consultation and co-ordination services to land development proposals by non-governmental organisations (NGOs) and the private sector that will bring broader economic and social benefits to the community.

- Continuing to enhance community involvement in surveillance and appreciation of trees in Hong Kong through co-operation with District Councils, schools, NGOs and the industry so as to protect public safety and to foster a culture of care for our trees.
- Taking forward the establishment of an education centre to step up the promotion of water conservation through the provision of education resources to the community.
- Taking forward the implementation of the flood prevention scheme for the provision of an underground stormwater storage tank to relieve the flooding risks in Happy Valley and adjacent areas.
- Carrying out a study on the adoption of low carbon construction measures in the delivery of public works projects.
- Consulting the public on the Regional Co-operation Plan on Quality Living Area, and carrying out further in-depth studies with a view to finalising a strategy to transform the Greater PRD Region into a green and quality living area.
- Preparing for the full implementation of the Buildings Energy Efficiency Ordinance in September 2012.
- Implementing 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 790 funding applications have been approved, involving a subsidy amount of over \$300 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.
- Implementing the Mandatory Energy Efficiency Labelling Scheme.
- Continuing to promote the use of energy-efficient lighting installations and consulting the public on restricting the sale of incandescent light bulbs.
- Taking follow-up actions with a view to addressing concerns on external lighting with advice from the Task Force on External Lighting.
- Continuing to monitor the progress of the two power companies in developing commercial-scale wind energy projects.
- Continuing to tighten, whenever practicable, the statutory cap on the total emissions of power companies according to the Air Pollution Control Ordinance.

- Continuing with the implementation of the Regional Air Quality Management Plan together with the Guangdong Provincial Government to reduce the emission of four major air pollutants in the PRD Region.
- Continuing to work with the Guangdong authorities to map out the emission reduction arrangements for the next phase 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 PRD 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.
- Consulting stakeholders on a proposal for introducing roadside remote sensing and advanced emission testing to strengthen the control of emissions from petrol and liquefied petroleum gas vehicles.
- Preparing for implementation of the Motor Vehicle Idling (Fixed Penalty) Ordinance starting from December 2011.
- 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.
- Continuing trials of retrofitting Euro II and Euro III franchised buses with selective catalytic reduction devices to reduce emissions of nitrogen oxides. Subject to satisfactory trial results, we will fund the capital costs for installing the devices in the Euro II and Euro III franchised buses.
- Continuing to encourage the public transport sector and goods vehicle owners to test out green and innovative transport technologies through subsidies under the Pilot Green Transport Fund to improve roadside air quality and combat global climate change.
- Preparing to legislate for a new regime to control emissions of air pollutants from non-road mobile machinery, in light of the outcome of consultation with stakeholders.
- Mapping out the way forward for local ferries to use cleaner fuel or adopt other emission control measures in light of the findings of the trial of powering local ferries with ultra-low sulphur diesel.
- Continuing the implementation of the extended import ban of controlled products containing hydrochlorofluorocarbons and other scheduled substances by phases with a view to meeting the phasing out schedule in the Montreal Protocol.

- Continuing the implementation of 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.
- Drawing up the final recommendations for updating Hong Kong's Air Quality Objectives and developing an air quality management plan.
- 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 operation of EcoPark;
 - (c) engaging the public in continued discussions on possible municipal solid waste charging as a direct economic disincentive to reduce waste at source;
 - (d) implementing the three landfill extension schemes;
 - (e) completing the feasibility and environmental impact assessment studies for the Integrated Waste Management Facilities development, and planning for the tendering of the project;

- (f) completing the tendering of the first phase Organic Waste Treatment Facilities; and
 - (g) commencing the feasibility and environmental impact assessment studies for the second phase Organic Waste Treatment Facilities.
- Drawing up detailed proposals for extending the Producer Responsibility Scheme on Plastic Shopping Bags to cover all retail shops.
 - Continuing to develop detailed proposals for the mandatory Producer Responsibility Scheme for waste electrical and electronic equipment.
 - Continuing to construct the sludge treatment facility to avoid the disposal of large amount of sewage sludge at landfills.
 - Continuing to deliver inert construction and demolition materials to the Mainland for reclamation purposes. We will liaise with the Mainland authorities to identify more possible sites for the reuse of the inert materials.
 - Continuing to implement Stage 2A of the Harbour Area Treatment Scheme with the aim of completing the construction works 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 draw up a timetable for building the biological treatment plant under Stage 2B.

- Continuing to monitor the water quality of Tsuen Wan beaches and reopening them by phases in view of the significant improvement in water quality upon commissioning of the Advance Disinfection Facilities of the Harbour Area Treatment Scheme Stage 2A in March 2010. Four beaches, namely, Lido Beach, Casam Beach, Approach Beach and Hoi Mei Wan Beach, have been re-opened in June 2011. Improvement works to the facilities at the remaining three beaches, namely, Anglers' Beach, Gemini Beaches and Ting Kau Beach, will be undertaken with a view to reopening them in the 2013 swimming season.
- 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.
- Stepping up publicity and education efforts on the Hong Kong Global Geopark of China, in order to better promote and 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 recovery and food waste recycling/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 Schemes, 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 as well as cleansing and vehicle hiring service contracts. We will also seek to widen the scope of green procurement in public works projects.
- 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 August 2011, 75 funding applications, amounting to \$97 million have been approved. Since 2010, all new schools under planning have incorporated on-site meal portioning facilities as standard facilities of school.
- Drawing up Hong Kong's climate change strategy and related greenhouse gas emissions reduction measures for combating climate change.
- Implementing the Convention on Biological Biodiversity and the Cartagena Protocol on Biosafety, and demonstrating to the international community our commitment to enhance the protection of biodiversity.
- Further enhancing food safety by bringing the Food Safety Ordinance into full operation. The Ordinance 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 2013.
- 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 conduct technical feasibility studies of shortlisted sites for columbarium development across the territory to increase supply of columbarium facilities.
- Taking follow-up actions on the implementation of the legislation to ban trawling activities in Hong Kong waters and continuing to implement the recommendations of the Committee on Sustainable Fisheries.
- 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 more “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 2012 Olympic and Paralympic Games and other major international sports events.
 - Continuing to strengthen support for the long-term development of football, including the provision of more new and upgraded football pitches.
 - Continuing to strengthen the monitoring of “National Sports Associations” that are receiving government subvention to improve their corporate governance for more effective promotion and development of sport in Hong Kong.
 - Continuing to identify suitable sites for the provision of more pet gardens in existing parks and future projects in consultation with the District Councils and local residents.
 - Working closely with the West Kowloon Cultural District (WKCD) Authority to develop the arts and cultural facilities in the WKCD, at the same time providing a variety of good quality arts and cultural activities, and broadening 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, optimising 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.

- Leveraging on the use of advanced technology as one of the ongoing strategies for enhancing library facilities and services with a view to achieving 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 promote the cultural co-operation and exchange between Hong Kong and Taiwan through the Hong Kong-Taiwan Cultural Co-operation Committee.
- Continuing our efforts to strengthen the regional cultural network in the PRD through the Greater PRD Cultural Co-operation Meeting.
- Engaging property management companies to provide one-stop professional building management advisory services to clusters of dilapidated old buildings.
- Continuing to promote a building care culture by supporting the work of the Panel of Advisors on Building Management Disputes, organising more structured training for office-bearers of owners' corporations and putting in place a platform for graduates of these training programmes to share experience and outreach to other owners' corporations and property owners, thus promoting mutual help.

- Formulating the detailed provisions and operational set-up of the regulatory regime for the property management industry. We are also reviewing the Building Management Ordinance to examine whether common problems in building management could be resolved by amending the Ordinance.
- Continuing the study on long-term options for better meeting demands for emergency ambulance services.
- Continuing with the exercise to amend the Road Traffic Ordinance and implement the measures upon enactment to vigorously combat drug driving.
- 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.

- Continuing to take forward feasibility studies for the proposed pedestrian subway system in Causeway Bay and footbridge system in Mong Kok so as to create space for pedestrian movements, minimise vehicle-pedestrian conflicts and improve roadside air quality, and proceeding with the detailed feasibility study for major improvement schemes and implementing the other improvement schemes under the pedestrian environment improvement scheme for Yuen Long Town.
- Continuing with the assessment of possible measures to improve traffic distribution among the three road harbour crossings.
- 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.
- Continuing to work with the Hong Kong Housing Society to implement the “My Home Purchase Plan”.
- Following up the recommendations of the Steering Committee on the Regulation of the Sale of First-hand Residential Properties by Legislation, including launching a public consultation exercise in the form of a White Bill and introducing a bill into the Legislative Council.

Chapter 3

Investing for a Caring Society

Preamble

As Hong Kong's economy develops steadily, the public are increasingly concerned about the wealth gap, housing and the issues of retirement protection and elderly support associated with our ageing population. As announced last year, the Government set up the Community Care Fund (CCF) to provide assistance to those who are facing economic difficulties through collaboration among the Government, the business sector and other sectors of the community. The work of the CCF has started with the implementation of a number of programmes providing direct assistance to the underprivileged and families in need.

To address the wealth gap and working poverty, the statutory minimum wage has come into force, which can safeguard the well-being of low-income workers. The Government will also continue to do its utmost to help the underprivileged gain employment. In view of the ageing population, we are promoting community care services for the elderly, and enhancing residential care services for elderly people in need.

New Initiatives

We will:

- Promote the adoption of accessibility design in both public and private websites to facilitate access to online information by persons with disabilities.
- Strengthen the coordination of educational services for non-Chinese speaking students and students with special educational needs; and extend progressively school-based educational psychology service for supporting students with special educational needs to all publicly funded primary and secondary schools.
- Provide a top-up student guidance service grant for public sector primary schools to enhance their student guidance service.
- Extend the support services for ethnic minorities to further facilitate their early integration into the community through setting up an additional support service centre and two sub-centres and providing additional radio programmes.
- Launch through the Family Council in partnership with the Commission on Youth, the Elderly Commission and the Women’s Commission the “Sharing family responsibilities in love and filial piety” campaign to promote harmonious family relationship.

- Adopt “family engagement”, “preventive strategy” and “community-based family support strategy” as new policy directions in combating social problems, pursuant to the finding from four research studies on juvenile drug abuse, youth prostitution, neglect of the elderly and child abuse.
- Promote the pro bono culture amongst legal professionals with the launching of a scheme for recognising provision of pro bono legal services.
- Plan for a pilot scheme on community care service voucher for elders.
- Increase subsidised community care places for the elderly.
- Increase subsidised residential care places for the elderly which provide nursing and a continuum of care.
- Upgrade the quality of subsidised residential care places for the elderly and increase the supply of higher-quality places under the Enhanced Bought Place Scheme.
- Make preparation for a new scheme for the provision of Old Age Allowance to Hong Kong elders who choose to move to Guangdong.
- Provide additional places for pre-school, day and residential rehabilitation services for persons with disabilities.
- Regularise the pilot Transitional Care and Support Centre for Tetraplegic Patients for continued enhancement of the support for persons with severe physical disabilities.

- Enhance the services of the integrated community centres for mental wellness to provide better support for persons with mental health problems.
- Provide employment support to employees with disabilities through subsidy to employers for procurement of assistive rehabilitation device and workplace modifications to facilitate employees with disabilities to enhance their work efficiency.
- Inject additional funding into the “Enhancing Employment of People with Disabilities through Small Enterprise” Project to create more job opportunities for persons with disabilities.
- Further enhance the support and protection for children and families in need by –
 - (a) increasing in phases the number of residential child care places; and
 - (b) raising the foster care allowance, including the maintenance grant for foster children and incentive payment for foster parents.
- Further enhance support services for youths at risk by setting up additional youth outreaching teams.
- Further extend as needed to March 2013 the 3,000 temporary work opportunities created in the 2007 Policy Address for young people aged between 15 and 29 to allow them more time to equip themselves for the labour market and for welfare service units to make the necessary adjustments.

- Turn the Capacity Building Mileage Programme into a recurrent project to enhance support for women in pursuit of continuous life-long learning.
- Review various employment assistance programmes under the Comprehensive Social Security Assistance (CSSA) Scheme to help CSSA employable recipients achieve self-reliance with a view to achieving better integration and effectiveness.
- Introduce a bill into the Legislative Council to improve the existing arrangement on replacement holiday should a Lunar New Year holiday or the day following the Chinese Mid-Autumn Festival fall on a Sunday.
- Intensify systematic preventive and enforcement measures in construction safety in view of the commencement of major infrastructure projects and expected rapid growth in building renovation and maintenance works.
- Consult stakeholders and the public on the way forward in introducing community-based drug testing.

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 non-governmental organisations (NGOs) to undertake reconstruction support projects in Sichuan.
- Continuing our work on the promotion of human rights.
- Continuing to monitor the implementation of the Administrative Guidelines on Promotion of Racial Equality.
- Taking forward legislative proposals to strengthen protection of personal data privacy.
- Preparing for the launch of public consultation on the proposed way forward on the recommendations of the Law Reform Commission on stalking.

- Preparing legislative amendments for the implementation of legislative proposals to enhance protection for consumers against unfair trade practices. We will continue publicity and education efforts.
- Continuing with the implementation of various digital inclusion initiatives to promote wider ICT adoption among under-privileged groups including the elderly and persons with disabilities to enhance their quality of life.
- Implementing the Internet Learning Support Programme, “i Learn at home”, to assist eligible students to undertake online learning at home.
- Working closely with the Ping Wo Fund Advisory Committee on the use of the Ping Wo Fund to finance public education to prevent gambling-related problems, to provide counselling and support services to pathological gamblers, and to conduct research on studies on gambling-related issues.
- Continuing to work with the Social Enterprise Advisory Committee and other stakeholders on the Social Enterprise (SE) Award Scheme, “Be a Friend to SE” Campaign, SE Training Programme and SE Bazaar, for the further development of social enterprises. 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 our work in enhancing access to legal aid and free legal advice service to benefit more people who cannot afford private legal fees.
- Working on the legislative amendments to expand the scope of Supplementary Legal Aid Scheme to cover more types of cases and to benefit more needy in the middle class.
- Co-ordinating cross-bureaux efforts to support the Steering Committee on the Community Care Fund in mapping out and implementing programmes to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the net but have special circumstances that are not covered.
- Continuing our work on facilitating ethnic minorities and new arrivals from the Mainland to integrate into the community, including sponsoring NGOs to operate support service centres and other support services for ethnic minorities and new arrivals from the Mainland.

- 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 and after securing their consensus, 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 with reference to the statistical data collected on employees engaged under employment contracts with short duration or working hours, and continuing to consult relevant stakeholders in the process.
- Continuing to promote family-friendly employment practices to the general public and encourage a wider adoption of such practices by employers, as well as to conduct a study on legislating for paternity leave.
- 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, including breaches of the statutory minimum wage provisions, and offences of wilful defaults of Labour Tribunal or Minor Employment Claims Adjudication Board awards.
- Continuing with intelligence-based and proactive strategy in combating illegal employment.
- Continuing to launch public education and publicity campaigns to promote understanding of the minimum wage legislation among employers and employees, and to forestall employers' wilful defaults of Labour Tribunal or Minor Employment Claims Adjudication Board awards.
- Continuing to implement and improve short-term food assistance services.
- Continuing to co-ordinate efforts across the Government in poverty alleviation through the Task Force on Poverty.
- Monitoring the implementation of the Work Incentive Transport Subsidy Scheme, and conducting a mid-term review one year after implementation.
- Monitoring the implementation of Child Development Fund (CDF) projects, and considering the long-term model of CDF for promoting child development in Hong Kong.
- 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.
- Taking forward recommendations made by the Social Welfare Advisory Committee in its study report on long-term social welfare planning.
- Continuing to implement the Neighbourhood Support Child Care Project and extend the Comprehensive Child Development Service to cover all districts to enhance support for children and families in need.
- Continuing to implement the pilot Cyber Youth Outreaching Projects to address the changing needs of youths, in particular the youths at risk and hidden youths.
- 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 review child death cases through the setting up of a standing Child Fatality Review Panel based on the successful experience of 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.
- Continuing to monitor 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.
- Implementing the statutory licensing scheme for residential care homes for persons with disabilities and related complementary measures 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.
- Continuing to implement the retrofitting programme to upgrade the barrier-free facilities in Government premises and Housing Authority properties.

- Upgrading subsidised residential care places to provide long-term care for frail elders.
- 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.
- 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.
- Implementing the Integrated Discharge Support Programme for Elderly Patients on a territory-wide basis to provide integrated support services to elderly hospital discharges who have difficulties taking care of themselves, and also to their carers.
- Completing the implementation of a series of measures to enhance training and retraining services before the end of 2011-12, in accordance with the recommendations of the strategic review on the future directions of the Employees Retraining Board.

- Continuing the legislative amendment exercise to expand the scope of the Protection of Wages on Insolvency Fund to cover pay for untaken annual leave and untaken statutory holidays under the Employment Ordinance.
- Completing the policy study on standard working hours.
- Continuing to enhance the regulatory system for mandatory safety training courses.
- Continuing to encourage schools to collaborate with NGOs in providing school-based after-school learning and support services for needy students.
- Maintaining supply of public rental housing for low-income households with housing needs with a target of an average waiting time of around three years for general Waiting List applicants.
- Inviting NGOs to organise 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.

- Continuing to take forward feasibility studies for the higher-ranking proposals under the assessment system for the provision of hillside escalator links and elevator systems, and proceeding with the preliminary design of those proposals which are found technically feasible.
- 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) encouraging new and effective models of drug treatment and rehabilitation services;
 - (e) continuing with rigorous law enforcement action, notably against cross-boundary drug abuse and trafficking; and
 - (f) providing funding support to encourage schools to pursue voluntary drug testing as part of the healthy school policy.

- Implementing within 2011 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.
- Encouraging young people to develop skills and leadership through participating in group activities and training organised by the Auxiliary Medical Services Cadet Corps.
- 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 which has always been a safety net for the whole population, and implement healthcare reforms covering primary care, electronic health records, healthcare infrastructure and the private healthcare sector. Based on the outcome of the two-stage public consultations on healthcare reform, we will embark on a three-pronged

action plan to take forward a Health Protection Scheme to enhance market transparency and competition, safeguard consumer interests with better choices, and provide relief to the public healthcare system.

New Initiatives

We will:

- Enhance the data collection and projection mechanism in respect of the return of children born in Hong Kong to Mainland women for settlement in Hong Kong.
- Inject \$5 billion into the Research Endowment Fund to provide additional research resources for tertiary education sector.
- Develop an international cuisine college under the Vocational Training Council as a centre of excellence in international cuisine to enhance Hong Kong's status as Gourmets' Paradise and regional education hub, and to improve education opportunities for young people.
- Strengthen support for students with diverse education needs by establishing a new youth college under the Vocational Training Council to provide alternative progression pathways for these students.
- Extend the case management programme to more districts to provide intensive community support for persons with severe mental illness.
- Further expand the coverage of the Hospital Authority Drug Formulary to enhance the efficacy of treating various diseases.

- Conduct a strategic review on healthcare manpower planning and professional development including regulatory framework, through a high-level steering committee, with a view to making recommendations in the first half of 2013 for meeting the community's future healthcare needs.
- Formulate legislative and institutional proposals for the Health Protection Scheme (HPS), under the auspices of the Health and Medical Development Advisory Committee, with a view to making recommendations in the first half of 2013, including supervisory framework for and financial incentives in support of the HPS.
- Facilitate the development of healthcare services in preparation for the implementation of the HPS through infrastructural support, enhanced market transparency, promotion of packaged services and charging, and purchasing of healthcare services to augment public services.

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.
- Implementing improvement measures for the Pre-primary Education Voucher Scheme and the Kindergarten and Child Care Centre Fee Remission Scheme to provide enhanced support for family and to promote diversified development in pre-primary education.
- Planning with four remaining primary schools to turn into whole-day schooling.
- Continuing to implement the fine-tuning of medium of instruction for secondary schools starting from Secondary 1 in the 2010-11 school year.
- 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, as well as to 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 the English language environment in schools.
- Promoting overseas exchange programmes to nurture students' global perspective and encouraging their participation in international events and activities.
- Continuing to implement small class teaching in public sector primary schools starting from Primary 1 in 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 awarding government scholarships to outstanding students from the HKSAR Government Scholarship Fund, relaxing employment and immigration restrictions for non-local students, and stepping up promotion in the region.
- Continuing to organise curriculum-related Mainland 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 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 the implementation of debundling in pricing of textbooks and teaching materials, implementing the pilot scheme on E-learning in schools launched in April 2011, and developing the online depository of curriculum-based learning and teaching resources, to enhance learning and teaching effectiveness.

- Putting forward proposals for gauging public views on how to improve the operation of non-means-tested loan schemes for students pursuing post-secondary and continuing and professional education, during the second phase of the review.
- Increasing publicly-funded first-year-first-degree places to 15,000 for each cohort and doubling progressively senior year intake places to 4,000 each year, from the 2012-13 academic year.
- Launching the \$2.5 billion Self-financing Post-secondary Education Fund to provide scholarships and enhance quality of teaching and learning in support of the development of self-financing post-secondary sector.
- Launching a pilot study in some public sector schools in the 2011-12 school year with a view to strengthening schools' internal management and reducing teachers' administrative work.
- 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 talent and professionals.

- 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 –
 - (a) 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;
 - (b) promote the use among healthcare professionals and raise public awareness of the reference frameworks for the chronic conditions of diabetes mellitus and hypertension, and develop primary care conceptual models and reference frameworks for the elderly and children age groups;
 - (c) extend the Primary Care Directory through developing sub-directories for other primary care professionals 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;
 - (d) launch a pilot project in partnership with non-governmental organisations for a period of three years to provide elderly people residing in residential care homes or receiving services in day care centres with outreach primary dental care and oral health care services;

- (e) strengthen healthcare support for chronic diseases to facilitate early detection, prevention and treatment; raise the awareness of chronic disease patients and their carers and enhance their disease management ability; encourage need-based and risk-based proactive care for secondary prevention; and facilitate early prevention and intervention of complications to reduce the need for hospitalisation; and
 - (f) sustain the momentum of the Primary Care Campaign generated in April 2011 by a continuing and co-ordinated programme of health education and promotion activities, working with and soliciting support from various parties, with a view to reaching out to different population groups in the community and taking forward the territory-wide promotion campaign.
- Extending by another three years, and enhancing the three-year pilot scheme launched in early 2009 to provide ten health care vouchers per year of \$50 each to elderly people aged 70 or above as partial subsidy for using private primary care services in their neighbourhood community.
 - Building a hospital in Tin Shui Wai to strengthen medical services in the district.

- 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.
- 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 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; purchasing radiological imaging services for specific groups of cancer patients; and extending the Cataract Surgeries Programme, etc.

- Under the Electronic Health Record Office, continuing to (a) 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, (b) formulate a legal, privacy and security framework for the protection of personal data privacy and system security, and (c) promote the partnership of public and private sectors in sharing health records of patients.
- With a view to promoting the sharing of patients' records, further expanding the "Electronic Patient Record Sharing Pilot Project" and "Radiological Image Sharing Pilot Project" of the Hospital Authority (HA) to allow more private healthcare providers, including those participating in public-private partnership projects, to access their patients' records kept at the HA and enter the patients' clinical information, including radiological images, upon the patients' consent.
- Conducting public consultation in 2011 on the legal, privacy and security framework for protecting the privacy of personal data in electronic health records.
- Enhancing professional training and facilitating professional development for medical and healthcare practitioners, and improving their working arrangements.
- Working out the funding arrangement for the HA for the coming three years.

- Formulating 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 in phases starting from early 2012.
- Strengthening the regulation of Chinese medicine with the full implementation of the registration of proprietary Chinese medicines, including the provisions relating to label and package insert requirements.
- Preparing for the establishment of three public Chinese Medicine clinics, thereby increasing the number of clinics from 15 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 progressive efforts in tobacco control through the multi-pronged approach of publicity, promotion, education, legislation, taxation and smoking cessation.

- 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 business impact assessment and the views of the stakeholders.
- Continuing to promote registration for organ donation on the Central Organ Donation Register among the public through collaboration with relevant organizations.
- Continuing the subsidy scheme for elderly aged 65 and above to receive seasonal influenza and pneumococcal vaccinations to enhance primary care and disease prevention.
- Continuing to work in collaboration with the Mainland health authorities to promote and implement the liberalisation measures under 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.
- Supporting the Hong Kong Academy for Performing Arts to migrate to four-year undergraduate degree programmes 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.

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 the Standing Committee of the National People's Congress (NPCSC) last summer. 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. The passage of the Chief Executive Election (Amendment) Bill 2010 and the Legislative Council (Amendment) Bill 2010 by the Legislative Council on 3 and 5 March 2011 respectively implements the constitutional reform package. With the enactment of local legislation for the 2012 Chief Executive and Legislative Council

elections, Hong Kong is now moving step by step towards the ultimate aim of universal suffrage.

Apart from pursuing the development of democracy, we will also enhance governance and bring our policies more in line with public opinion. We will make greater use of the new media that have become popular in recent years to enhance our interaction with the public and to engage the community in discussions about public affairs.

An effective government relies on a professional and highly efficient civil service. Our civil servants will carry on the fine tradition and remain as dedicated as ever to their duties in pursuit of service excellence. They will stay committed to serving the community in keeping with the spirit of putting people first.

New Initiatives

We will:

- Conclude the public consultation on arrangements for filling vacancies in the Legislative Council with a view to resuming and completing the legislative exercise in the 2011-12 legislative session.
- Work closely with the Electoral Affairs Commission to make practical arrangements to ensure that the 2012 Legislative Council election and associated electoral arrangements will be conducted in fair, open and honest manner in accordance with the relevant legislation.
- Progressively increase the financial resources for the District Minor Works Programme to \$400 million per annum over the next two District Council terms. The increased resources would cover capital expenditures as well as management and maintenance expenditures of the completed facilities.
- Organise an international anti-corruption public service announcement video competition and workshop to support the International Association of Anti-Corruption Authorities in implementing the United Nations Convention Against Corruption, with a view to enabling its members worldwide to share experience and exchange ideas with experts on the effective use of mass media strategies in engaging the public in the fight against corruption.

- Partner with prominent youth bodies to launch a youth training programme on ethical leadership and positive values for tertiary students, which will comprise training workshops, exchange activities and a youth conference.
- Provide a “Life and Society” Teaching Package for Junior Secondary Students to support teaching the modules of “Personal and Social Development” and “Social Systems and Citizenship” in the new curriculum and help young people foster positive attitudes and values.

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.
- Continuing to work closely with the Electoral Affairs Commission to implement practical arrangements to ensure that the 2011 District Council Election, 2011 Chief Executive Election Committee Subsector Elections, 2012 Chief Executive Election and associated electoral arrangements will be conducted in fair, open and honest manner in accordance with the relevant legislation.
- Continuing to take forward the proposals concerning the abolition of the District Council appointment system.
- Conducting a review on rural elections, with a view to identifying room for improvement for future implementation, in the light of the experience gained in 2011’s rural elections.

- Preparing for the implementation of phase 2 of the enhancement of the remuneration package for Members of the District Councils (DCs) on 1 January 2012, including the introduction of an accountable medical allowance and an end-of-term gratuity for DC Members as well as the provision of Entertainment Expenses Reimbursement for DC Chairmen.
- Continuing the communication between 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 and the Civic Education Resource Centre to enhance the promotion of youth development and civic education outside schools, particularly on the civic and social participation of young people and the promotion of national education.
- Continuing to 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 support youth development activities through the district network of the Commission on Youth with a view to helping youths cultivate a positive approach to life and fulfill civic duties.
- Continuing to enhance communication with youths and encourage them to participate in community affairs, including organising more exchange sessions with them.
- Providing opportunities for youngsters, with a token stipend, to serve in under-privileged areas in the Mainland for six to twelve months under the “Service Corps” Programme.
- Continuing to develop and enrich the content of the Youth Portal to provide a multi-media platform for young people to access government services and information and to better engage them in the design and delivery of public services.

- 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 regular conduct of pay trend surveys, starting salaries surveys and pay level surveys in accordance with the improved civil service pay adjustment mechanism so as to maintain broad comparability between civil service pay and private sector pay.
- 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 to 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 and implement a set of streamlined procedures to expedite the processing of small house applications.

- Continuing to handle lease modification and land exchange applications in the District Lands Office (Hong Kong West and South) by a dedicated approach; 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 press ahead with the establishment of an electronic database of Hong Kong legislation with legal status through conducting a tender process and proceeding with the staged implementation of the Legislation Publication Ordinance.
- Enhancing the accessibility of legislation through publishing guidelines on the drafting of legislation.
- 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 ensure that our legislative regime for combating terrorism 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.
- Continuing to implement effective measures to 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.
- Introducing a statutory mechanism to underpin the enhanced screening procedures for torture claims.
- Continuing our integrity-building endeavours for tertiary students in collaboration with tertiary education institutions by incorporating a personal ethics module in their relevant programmes and sustaining the impact of i-League – an association for undergraduates and graduates involved in “ICAC Ambassadors” programme.