

Motion Debate on
“Caring about the education, employment, housing, home acquisition
and business start-up problems faced by young people”
Progress Report

At the Legislative Council (LegCo) meeting on 28 November 2012, the motion on “Caring about the education, employment, housing, home acquisition and business start-up problems faced by young people” moved by Hon. CHAN Hak-kan, as amended by Hon. CHAN Yuen-han, Dr Hon. Kenneth CHAN and Hon. IP Kin-yuen, was carried. The full text of the motion is at **Annex**. This report informs Members of the follow-up actions taken by the Administration in respect of the motion.

Education

The New Academic Structure (NAS) facilitates smooth articulation

The NAS has been implemented successfully and the Hong Kong Diploma of Secondary Education (HKDSE) has gained wide international recognition. More opportunities are open for Hong Kong students to further studies through multiple pathways. The Universities and Colleges Admissions Service (UCAS) of the United Kingdom (UK) has previously confirmed that level 3 of the HKDSE is in general comparable to grade E in UK’s General Certificate of Education Advanced Level (GCE A level) examination. In December 2012, UCAS has confirmed that the tariff points awarded for level 5** of the HKDSE is slightly higher than those awarded for grade A* in GCE A level or the highest grade in the International Baccalaureate. At present, over 140 tertiary education institutions worldwide have accepted HKDSE as meeting their admission requirements. In 2013, 70 higher education institutions in the Mainland and 149 Taiwan universities will continue to exempt Hong Kong students from admission examination and consider their application on the strength of their HKDSE results.

2. We will continue to provide a diversified New Senior Secondary (NSS) curriculum, including Applied Learning (ApL) courses as elective subjects, to prepare students for further studies, work and life-long learning. Quite a number of the first cohort of NSS graduates who have studied ApL courses have been admitted to degree, associate degree and higher diploma programmes in tertiary institutions in Hong Kong, the Mainland, Taiwan or overseas countries. Some of them have been employed by relevant trades or industries. At the moment, the Education Bureau

(EDB) is conducting a review of the NSS curriculum. We will take the opportunity to update the content of the ApL courses to cater for students' varied interests and abilities, as well as to meet the latest development of society.

Flexible pathways with multiple entry and exit points

3. The Government strives to provide young people with quality and diversified study pathways with multiple entry and exit points. At present, the 17 local degree awarding higher education institutions are offering a total of some 550 degree programmes and 390 sub-degree programmes of different academic and professional disciplines. There are other continuing education and vocational programmes to match the need for the economic development in Hong Kong. Youngsters can choose the pathway that best suit their abilities and aspirations and develop their potential to the full. The government has launched the Yi-Jin Diploma programmes from the 2012/13 academic year to provide an alternative pathway for Secondary 6 school leavers under the NAS as well as adult learners to obtain a formal qualification for the purposes of employment and further study.

4. From the 2012/13 academic year, the number of University Grants Committee (UGC)-funded first-year-first-degree (FYFD) places has been increased to 15 000 per annum (i.e. the total number of publicly-funded FYFD places is 15 150 per annum). The senior year undergraduate intake places are doubled to 4 000 per annum by phases so that meritorious sub-degree graduates are having more opportunities for articulation to the last two years of an undergraduate programme under the NAS. Also in 2012/13, the number of self-financing senior year undergraduate places has doubled to 6 500. In parallel, we have introduced a series of measures to support the development of the self-financing post-secondary sector and promote the quality of teaching and learning. These include the Land Grant Scheme, Start-up Loan Scheme, \$3.5 billion Self-financing Post-secondary Education Fund and financial assistance schemes for students, etc.

5. Through promoting the parallel development of publicly-funded and self-financing post-secondary sectors, we estimate that in the coming two years, over one-third of our young people in the relevant cohort will have access to degree-level education. Including sub-degree education, nearly 70% of them will have access to post-secondary education, which will help nurture talents for the future development of Hong Kong.

6. Looking ahead, we will continue to explore the development of a vertical

Credit Accumulation and Transfer System to facilitate articulation from sub-degree programmes to senior year undergraduate entry, as recommended in the UGC's Higher Education Review report in 2010.

7. Sub-degree graduates may take up posts at basic management levels and assistant professional grades. The Government has taken the lead in the recognition of sub-degree qualifications. At present, there are about 80 civil service grades which accept applications from sub-degree graduates. The Government will also continue to promote the recognition of the sub-degree qualifications among employers of the commercial and business sectors.

8. At the same time, the Government has strived to assist UGC-funded institutions to provide publicly-funded student hostel places according to prevailing policies. As for the self-financing degree sector, we have in 2012 extended the ambit of the Start-up Loan Scheme to support the sector in providing student hostels. Depending on the need, we will continue to provide land at nominal premium to eligible non-profit-making tertiary institutions for the construction of premises and hostels.

Admission of non-local students by UGC-funded institutions

9. Under the existing policy, UGC-funded institutions may admit non-local students to their sub-degree, degree and taught postgraduate programmes up to a level not exceeding 20% of the approved student number targets for these programmes. This 20% quota comprises up to 4% within the UGC-funded number and up to 16% outside the UGC-funded number. In 2008, the Administration raised the quota from 10% to 20% and maintained the 4% quota within the UGC-funded number, so that non-local students are primarily admitted by over-enrolment on top of the approved student number targets and they will not compete directly with local students.

10. UGC-funded institutions admit students to their research postgraduate programmes on a merit basis, taking into account students' academic results, research capability, etc., but not their places of origin, and no quota restriction is imposed on the admission of non-local students in publicly-funded research post-graduate programmes by UGC-funded institutions. In the 2011/12 academic year, about 25% of the applications for research programmes by local students were admitted by institutions, whilst about 9% of non-local applicants were admitted. Admission of qualified non-local students to research postgraduate programmes not only diversifies

the student mix, but also helps boost the level of local research programmes and enhance the effectiveness of public spending.

Financial assistance for students

11. To ensure that no eligible students will be denied access to education due to lack of means, the government has been implementing various student financial assistance schemes and reviewed the schemes from time to time to provide appropriate support to needy tertiary students. During the 2011/12 academic year, the Government had implemented a series of improvement measures to the assistance under the means test mechanism. In the 2012/13 academic year, we have further implemented a number of improvement measures to the Financial Assistance Scheme for Post-Secondary Students, which include relaxing the age limit from 25 to 30, removing the restrictions on eligible academic qualification, and removing the grant repayment requirement for students who fail to obtain the intended qualification within the prescribed period.

12. To relieve the repayment burden of student loan borrowers, the Government has lowered the annual interest rate of the means-tested loan schemes from 2.5% to 1% in 2012, and extended the standard repayment period from five to 15 years. As for the non-means tested loan schemes, we have reduced the risk-adjusted-factor rate from 1.5% to zero (and reviewing the situation after three years), and the loan interest rate from 3.174% to 1.674%. The standard repayment period has also been extended from 10 years to 15 years. In case the loan borrowers of the schemes have met with financial difficulties, serious illness or are studying full-time programmes, they will be allowed an extension of repayment period for up to two more years, to as long as 17 years, and without interest during the extended period.

13. These measures will greatly relieve the student loan borrowers in their repayment burdens and provide timely support to those in need.

Supporting Employment and Business Start-up of Young People

Training and Employment Support

14. The Government is committed to enhancing the employability and promoting the employment opportunities of young people through the provision of comprehensive training and employment support services. To encourage employers to provide more on-the-job training opportunities to young people, the Chief Executive announced in his 2013 Policy Address that the training allowance of the

Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme (YPTP&YWETS) of the Labour Department (LD) will be enhanced. The monthly training allowance payable to employers, who offer on-the-job training opportunities for a period of six to 12 months to a young person under YPTP&YWETS with a monthly salary of \$6,000 or above, will be increased from \$2,000 to \$3,000. Moreover, to encourage young people to participate in the workplace attachment training under YPTP&YWETS, the allowance payable to young people upon completion of the one month's workplace attachment training will be increased from \$2,000 to \$3,000.

15. In 2012, the two Youth Employment Resource Centres of LD provided one-stop advisory and support services on employment and self-employment to 73 758 young people. LD will closely monitor the usage of the two centres to ensure sufficient services are provided to young people with different needs.

16. For recommendations on youth employment services in the Report No. 59 of the Director of Audit, LD will adopt practicable ways to implement the recommendations progressively.

Continuing Education Fund

17. Since the launch of the Continuing Education Fund (CEF) in 2002, about \$3.3 billion has been disbursed. As present, the course fees of most CEF registered courses are at \$10,000 or below. The \$10,000 subsidy is sufficient for covering the course fees for the majority of CEF registered courses. Eligible learners with financial needs may consider applying for loans under the Non-means-tested Loan Scheme administered by the Student Financial Assistance Agency.

18. To utilise the funding of CEF more effectively, the Government requires eligible CEF applicants to complete their courses and submit up to four claims within four years from the date their accounts are opened. In fact, after a review of the operation of CEF in 2007, the Government relaxed the validity period from two years to four years from the date the accounts were opened; while the maximum number of claims allowed had also increased from two to four times to facilitate learners.

19. To ensure the quality of CEF courses, all CEF registered courses are monitored by the Office of CEF (OCEF) and the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ). OCEF and HKCAAVQ would conduct surprise visits to the course providers. Should any non-compliance be detected, the Government would issue warning to the course

provider concerned. Where the non-compliance is serious in nature or recurring, the Government will consider de-registering the relevant courses from the list of CEF courses. If there is suspected involvement of criminal acts such as fraud, bribery, etc., the Government will promptly refer the case to the relevant law enforcement agencies for follow-up action.

Paid Training Leave

20. At present, expenses incurred by enterprises in providing training to employees are already tax deductible. Eligible employees can take paid annual leave to cater for their various needs, including training needs. The Government will, through publicity and promotion, continue to encourage enterprises to adopt “employee-oriented” good people management practices and, resources permitting, to adopt appropriate measures, such as making flexible work arrangements or providing holidays, to facilitate employees in receiving training that caters for the development of individual and businesses.

Start-up Fund for Young People and Self Employment Training and Support Services

21. Since the launch of the Microfinance Scheme (the Scheme) by the Hong Kong Mortgage Corporation Limited in late June 2012, the Scheme has been well received by the market. As at end-December 2012, the Scheme approved a total of 47 applications, of which 91% were Micro Business Start-up Loans. The total loan amount approved exceeded HK\$12 million. The Scheme helps to provide capital loans to business starters who have difficulties in obtaining loans from traditional finance sources, including those eligible young people aged 18 or above.

22. The Scheme also provides supporting services, including mentorship and entrepreneurial training, to business starters and self-employed persons on a need basis. Moreover, the two Youth Employment Resource Centres of LD will continue to organise self-employment related workshops and offer free professional legal or accounting advisory services to young people who are interested in starting businesses.

Film Development Fund

23. Since July 2012, if financing support for film production is approved under the Film Development Fund (FDF) for a film project directed by a new director (who directs a commercial film for the first or second time) and assisted in production by a veteran producer (who has produced two or more feature films for commercial

theatrical release in Hong Kong), the Government's maximum contribution has been set at 40% of the film production budget subject to a cap on the film production budget at \$10 million. In other words, a new director may obtain from the FDF a maximum of \$4 million for financing the film production. As at end-December 2012, the FDF provided financial support of \$17.85 million in total to six film production projects under this category.

Cultural and Creative Industries

24. To assist young people in pursuing their careers in arts work, cultural and creative industries, the Government will continue to provide suitable land, as well as implement conservation and revitalisation projects, to facilitate the development of cultural and creative industries, and encourage more young people to take up such works. For example, conservation and revitalisation works have already commenced in early 2012 to revitalise the Former Police Married Quarters in Hollywood Road, Sheung Wan into a creative industries landmark known as "PMQ". Upon completion of the revitalisation project by end-2013, PMQ will provide 130 studios, including units to be made available to up-and-coming designers at concessionary rent, for young designers and createpreneurs to display and sell their creative products. PMQ will also provide creative industries-related executive training programmes and set up an incubation programme to nurture creative talents. Moreover, the preparation works for the revitalisation of the former Central Police Station (CPS) compound in Central into a contemporary performing and visual arts hub are also underway and a new CPS compound is scheduled to be opened to the public in 2015.

25. The measures for revitalisation of industrial buildings (revitalisation measures) came into effect in April 2010, with a view to encouraging better utilisation of the precious land resources through redevelopment or wholesale conversion of existing industrial buildings to meet Hong Kong's social and economic needs. By end-December 2012, the Lands Department had received 88 applications under the revitalisation measures, of which 62 had been approved. Ten of these approved applications applied for change into "place of recreation, sports or culture" use, which could provide suitable premises for the arts and cultural industry upon completion of the relevant conversion works.

26. To address the needs of start-ups in creative industries for office space and supporting services, the Government and relevant organisations are offering incubation programmes to provide support to start-up companies. With

Government's funding support, the Hong Kong Design Centre operates the "Design Incubation Programme" ("DIP") at InnoCentre to provide support to newly-established small design companies. The incubatees can enjoy rent-free office space during the first year and a rental discount in the second year of the incubation period. Besides, DIP offers to incubatees support services such as management training, consulting services, mentorship, etc. Incubatees can also enjoy the services and facilities of the business centre at InnoCentre for free and have opportunities for networking with other industrial organisations, academic institutes, and professional bodies. As at end-December 2012, DIP has admitted 122 companies as incubatees.

27. The Cyberport supports newly-established local digital entertainment and information & communications technology companies through its Cyberport Incubation Programme. On-site incubatees at Cyberport Entrepreneurship Centre can enjoy free use of the office space throughout the 24-month incubation period and rental discount for twelve months after the completion of the incubation period. The incubatees will also receive financial assistance and various incubation services during the incubation period. As at end-December 2012, the programme has admitted 189 companies.

28. To provide more arts space for young artists and budding arts groups, the Government has allocated additional resources to support the Hong Kong Arts Development Council (HKADC) in converting the units in an industrial building in Wong Chuk Hang into arts space and implementing a pilot scheme to lease the space to young artists at concessionary rates. The conversion works are expected to complete in the second half of 2013. Meanwhile, we are identifying appropriate premises (such as vacant schools) for use as offices, studios or rehearsal venues for arts groups and arts workers.

29. Since 2006, the Leisure & Cultural Services Department (LCSD) has been organising the "Youth Band Marathon" which aims at providing a platform for arts and creativity for young people. LCSD collaborates with the programme partners, to arrange 25 to 30 youth bands with about 200 young people to perform at the Marathon at the Hong Kong Cultural Centre Piazza. Besides, young artists are invited to set up a DIY arts and craft fair at the Youth Band Marathon with about 40 handicraft stalls where DIY leather products, accessories, cloth and paper art by young artists are put on sale. LCSD also provides platforms for young artists to showcase their talents in different art forms under its annual programme presentations, including programme series like "Our Music Talents", "Young

Cantonese Opera Artists”, “Dance on Parallel Lines”, “New Forces in Motion” and “New Energy in Theatre”.

Placement Opportunities for Art Workers

30. Currently, the performing venues, museums and the Art Promotion Office of LCSD run programmes to provide internship opportunities for arts administrators, and LCSD also subsidises its venue partners for this purpose. At the same time, HKADC also launches subsidy schemes for arts administrators to take part in local or overseas internships, further studies or diversified professional training. Arts administrators and the arts field as a whole will benefit.

31. The Chief Executive has announced at his Policy Address that additional funding of \$150 million will be allocated to strengthen the training of arts administrators with different levels of experience in the next five years, including internships, further studies and diversified professional training.

Housing

Increase Public Rental Housing Supply

32. According to the latest Public Housing Construction Programme of the Hong Kong Housing Authority (HA), in the five-year period starting from 2012/13, the HA will build about 79 000 new PRH flats in total. Also, we will adopt a production target of at least 100 000 new PRH units in the five years starting from 2018 to meet society’s demand for PRH.

33. The Long Term Housing Strategy (LTHS) Steering Committee will review the medium to long-term demand for public and private housing (including the housing needs of the youth), ascertain priorities, and assist the Government to draw up a long-term plan for housing supply.

Quota and Points System

34. As at the end of December 2012, there were about 106 900 non-elderly one-person applications under the Quota and Points System (QPS) on the Waiting List (WL), about 67% of whom were below 35 years old.

35. We note that there have been calls from the community for a review of the QPS so that the needs of singletons with housing difficulties can be treated more fairly. While we appreciate the housing needs of these singletons, given the limited

public housing resources, it is our existing allocation policy to accord priority to family applicants. The waiting time for family applicants will inevitably be prolonged if we were to abolish the QPS, and include all non-elderly one-person applicants under the general WL. We recognise that non-elderly one-person applicants include singletons of different ages and with different needs. We will explore ways to enhance the QPS to address the housing needs of singletons in the context of the LTHS review.

Home Ownership Scheme

36. In response to the aspirations of low and middle-income families (including younger families and some singletons) to purchase their own homes, the Government has announced the resumption of the Home Ownership Scheme (HOS). The development of HOS has been a central part of the government's housing policy. We have set a planning target to provide a total of some 17 000 new HOS flats over the four years from 2016/17 onwards and thereafter an annual average of about 5 000 HOS flats. The HA is undertaking the relevant preparatory work for the first batch of HOS developments, including planning, design, site investigation and tender preparation, etc. The construction for the first batch of 2 100 new HOS flats will be commenced in mid-2013, and will be released for pre-sale by the end of next year. We expected that the flats concerned will be completed in 2016/17. The HA is also working with other government departments and bureaux to actively identify suitable sites for HOS development in different parts of the territory and from various medium and long term housing land studies. In addition, the Hong Kong Housing Society (HKHS) helps to address the public's home purchase aspirations through the Greenview Villa project in Tsing Yi and another forthcoming similar subsidized sales flat project in Sha Tin.

Sandwich Class Housing Scheme

37. The subsidized sales flats provided by the Government through the HA and the HKHS seek to address the housing needs of those who are generally considered by the community as the "sandwich class", i.e. those who fail to meet the income and asset eligibility requirements for PRH application, but nonetheless cannot afford private residential property ownership. The latest household income limit for subsidized flats of \$40,000 should be able to cover approximately 70% of the non-owner occupied households of private domestic properties in Hong Kong. As regards the Sandwich Class Housing Scheme (SCHS) launched by the HKHS in 1994, it was targeted at those households whose income was relatively higher, with a household income limit of as high as \$60,000. Under the current situation where

housing resources are in tight supply, we consider that public resources should target at households with a monthly income of \$40,000 or below. This income limit should not be adjusted upward lightly. We do not plan to relaunch the SCHS.

Home Starter Loan Scheme

38. When housing supply is tight, any form of loan or cash subsidy by the Government will actually serve to drive up flat prices. According to the experience of the Home Starter Loan Scheme which was implemented over a decade ago, of the cases in which full repayment had been made, there had been late payment in more than half of them. Moreover, there were about 4 000 cases in which full repayment had not been made. In addition, there were also some 1 200 cases involving bankruptcy. Up to now, this scheme has resulted in about \$490 million of bad debt for the Government. Therefore, we need to adopt a prudent attitude when considering any proposal to finance members of the public in acquiring properties in the form of loans. We have no plan to re-launch the scheme at present.

Annual Provision of Lands for 20 000 Private Housing Units

39. The Government announced the 2013-14 Land Sale Programme on 28 February 2013 comprising 46 residential sites estimated to have the capacity to produce about 13 600 flats. The Government has decided to abolish the Application Mechanism from 2013-14 and has included sites that it anticipate can be made available for sale in the year. We plan to initiate the sale of all the sites, subject to the outcome of the necessary planning procedures for the relevant sites, to increase land supply to the greatest extent. Taking together the 2013-14 Land Sale Programme, railway property development projects, projects of Urban Renewal Authority, projects subject to lease modification/land exchange and private redevelopment projects not subject to lease modification/land exchange, the total housing land supply in 2013-14 is estimated to have the capacity to produce about 28,700 flats.

Flats with Size Restrictions

40. Since 2010, the Government has specified in the land sale conditions of individual residential sites the minimum number of residential flats to be built and restrictions on flat size in order to increase the supply of small and medium-sized flats, as well as introduced a measure to require not less than a certain specified number of flats that must be provided on individual residential sites in order to ensure the supply quantity of residential flats. Owing to the resumption of the HOS and the flats with size restrictions at a couple of West Rail property development

projects, it is estimated that the supply of small and medium-sized flats in the market will increase in the coming years. The Government will continue to closely monitor the development of the property market, and consider specifying in the land sale conditions of individual residential sites requirements such as a minimum number of flats to be built having regard to the prevailing circumstances to meet market needs.

Adjustments to Ad Valorem Stamp Duty

41. Stamp duty for sale or transfer of immovable properties is charged according to the amount or value of the consideration of the property concerned. To curtail risks brought about by the exuberant property market, the Government announced on 22 February 2013 to increase across the board the rates of ad valorem stamp duty (AVD) applicable to both residential and non-residential properties, thereby increasing the cost of property transactions. For transactions valued at \$2 million or below, the AVD rate is increased from \$100 to 1.5% of the consideration of the transaction. As for transactions valued above \$2 million, the AVD rates are doubled to range from 3% to 8.5% of the consideration of the transaction. However, the original lower AVD rates will continue to be applicable to residential properties acquired by Hong Kong permanent residents, provided that they are not beneficial owners of any other residential properties in Hong Kong on the date of acquisition. Subject to the passage of the relevant legislation, the new measure takes effect on 23 February 2013.

42. In general, the higher the amount or value of the consideration of the property, the higher the applicable AVD rate. The existing AVD rates have already reflected the fairness principle of “capacity to pay”.

Transport and Housing Bureau

Development Bureau

Financial Services and the Treasury Bureau

Labour and Welfare Bureau

Education Bureau

May 2013

(Translation)

Motion on

“Caring about the education, employment, housing, home acquisition and business start-up problems faced by young people”

moved by Hon CHAN Hak-kan

at the Council meeting of 28 November 2012

Motion as amended by Hon CHAN Yuen-han, Dr Hon Kenneth CHAN and Hon IP Kin-yuen

That, given that young people are the future pillars of society, but in the face of globalization and the rapid development of neighbouring regions, Hong Kong young people not only face many challenges during their growth, but also lack upward mobility opportunities, and their aspirations are particularly salient in respect of education, employment, housing, home acquisition and business start-up; however, the Government currently does not formulate any comprehensive support measures mainly targeted at young people to assist them in concentrating on education, establishing career, and resolving the problems of housing and business start-up, thus causing problems such as mismatch of manpower resources, high youth unemployment rate and accumulation of social grievances, which are not conducive to the long-term development of Hong Kong society; in this connection, this Council urges the Government to care about young people’s needs; the specific measures should include:

Education –

- (a) to increase the places for publicly-funded bachelor’s degree programmes and various types of diploma programmes, and enhance the qualification recognition of the Hong Kong Diploma of Secondary Education Examination, sub-degrees and the Yi Jin Diploma in Hong Kong, the Mainland and the international community, so as to widen young people’s pathways of further studies;

- (b) to comprehensively review the assistance as well as loans and repayment arrangements under the various existing student finance schemes, abolish the risk rate, set an interest rate ceiling for the Non-means Tested Loan Scheme at 2.5%, and replace the means-tested loans with interest-free loans;
- (c) to comprehensively review the Continuing Education Fund Scheme, raise the cap on the amount of subsidy receivable by each applicant to \$40,000, extend the period of four years within which applicants must submit all claims as required by the scheme to 10 years, and abolish the restriction on applicants to make a maximum of four reimbursement claims, etc., so as to encourage young people to pursue continuous education;

Employment -

- (d) to review the employment training support services for young people, enhance the existing Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme, and raise the level of the relevant subsidies to \$3,000, so as to attract the participation of more employers to provide more employment and training opportunities suitable for young people in the market;
- (e) to set up more 'Youth Employment Start' ('Y.E.S.') resource centres throughout Hong Kong, strengthen the training targeted at young people, enhance their employment skills, and provide one-stop employment counselling;
- (f) to promote the commencement of 'career planning' at the stage of secondary education, so as to enable secondary students to make better planning for their future career development;
- (g) to conduct a study on enacting legislation to require an annual three-day paid training leave for all working persons in Hong Kong, including offering tax concessions to such employers, so as to facilitate working young people to pursue studies and acquire professional qualifications by examination;
- (h) to co-operate with public and private organizations and enterprises to encourage the employment of young people with less working experience and share with them the relevant salary payments, so as to increase young people's chances of securing employment;

Housing and home acquisition -

- (i) to build more public rental housing ('PRH') flats, and review the existing eligibility criteria for applying for PRH, so as to formulate a more reasonable and fairer method for waiting for and allocation of PRH for young people;
- (j) to construct at least 5 000 Home Ownership Scheme flats each year, re-launch the Sandwich Class Housing Scheme, and ensure the annual provision of 20 000 private residential flats, so as to build an integrated housing ladder for people;

- (k) on the premise of having an adequate supply of private housing, to conduct a study on re-launching the Home Starter Loan Scheme focusing on young people with relatively stable financial income;

Business start-up -

- (l) as it is noticed that quite a number of industrial building revitalization projects have been transformed into real estate and hotel projects, forcing many art workers stationed in such buildings to leave, the authorities must, while balancing housing and tourism needs, also have regard to preserving room for young people's work in cultural and creative industries by, for example, requiring property owners, when applying for industrial building revitalization, to reserve 20% of their premises as lower-rent areas for renting to young people who strive for development in the fields of creativity, culture and arts, etc.;
- (m) to set up creative industry parks in various districts for the provision of studios with stable rents and long-term tenancy agreements to young people who aspire to a career in creativity, culture and arts;
- (n) to set up a handicraft apprenticeship training scheme, and having regard to the local cultural features of various districts, to reserve land or certain buildings under conservation and relax the land use restrictions on vacant sites, so as to train young people for engaging in work on creativity or with traditional characteristics, such as arts fairs, music performances, dragon boat training and fireworks production, etc.;
- (o) to establish a start-up fund for young people, so as to provide loans to young people who have business start-up plans but lack the capital;
- (p) to increase the budget for arts, and raise the annual estimates for Hong Kong Arts Development Council, the Leisure and Cultural Services Department and major performing arts groups for creating additional placements, so as to provide young art workers with more placement opportunities; and
- (q) to offer 'business start-up training programmes' for the provision of the necessary business start-up knowledge, so as to assist young people in devising and implementing their business start-up plans, and to set up a dedicated fund under the Film Development Fund to provide subsidies to young directors;

Education -

- (r) to enhance the regulation of the Continuing Education Fund programmes eligible for subsidies;
- (s) to increase the places for top-up degree programmes for sub-degree programmes;

Employment -

- (t) to implement the relevant recommendations for improvement on the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme and training for young people in Chapter 10 of the Director of Audit's Report No. 59;

Housing and home acquisition -

- (u) to provide a certain quantity of 'flats with limited floor areas';
- (v) to raise the requirements of the ad valorem stamp duty for the consideration of a transaction, so as to reduce the financial burden on young people who are first-time home buyers;

Social participation -

- (w) to convene youth summits annually for conducting comprehensive discussions on the education, employment, housing and other problems faced by young people;
- (x) to set indicators for the ratio of youth participation in statutory and advisory bodies, so as to enable young people to participate more in the process of formulating policies in various respects; and
- (y) to comprehensively review the functions and composition of the Commission on Youth, so as to enable the Commission to better promote policies pertaining to young people in various respects;

Education -

- (z) to increase publicly-funded sub-degree programme places;
- (aa) to review the impact of subsidized tertiary institutions admitting mainland students on local students' opportunities of enrollment to programmes of bachelor degrees, master degrees and doctoral degrees;
- (ab) to provide resources to schools for offering non-academic students quality practical courses or skills training programmes with articulation channels as another pathway under the new academic structure;
- (ac) to comprehensively review the policy on university hostel places, expand campus boundaries for constructing additional campus buildings and hostels, so as to cope with the needs of university students; and
- (ad) to increase the subsidies for evening schools to encourage young people to pursue lifelong learning.