

**The 2007-08 Policy Address
Policy Agenda**

Policy Agenda

Introduction

Building Hong Kong

This is the first Policy Address of the Third Term Government of the Hong Kong Special Administrative Region (HKSAR). It outlines our blueprint for Hong Kong's development in the next five years by setting out the direction and vision. In his Election Platform announced during the Chief Executive Election in early 2007, the Chief Executive made specific pledges to the public to bring Hong Kong to a new level of development: accelerated economic co-operation within our country, promotion of economic development through infrastructure projects and positioning Hong Kong as the international financial centre of China.

To develop Hong Kong into a new metropolis, the Government will embark on ten large-scale infrastructure projects, including transport infrastructure, new development areas, new urban developments and cross-boundary co-operation. In addition, the Government will strive to consolidate our position as an international financial centre.

Economic development should not only be dynamic but also take into account the effects on and benefits for the environment, culture and society. This is the Chief Executive's "Progressive View of Development".

On environment, we will carry out extensive greening work and maintain our efforts in fighting pollution. To enhance public understanding of our history and cultural identity, we are committed to conserving our heritage. In addition to preserving historical buildings, we will also revitalise and renew them. In relation to society, we need to devote special attention to those who are not yet sharing the fruits of Hong Kong's prosperity. Following the "from welfare to self-reliance" principle, we will create more job opportunities at the community level through various training and retraining schemes and promote the development of social enterprises. We are concerned about the wealth gap in society and the well-being of those at the grassroots level. We will adopt a multi-pronged approach to improving people's livelihood. We will also vigorously promote through related policies the mainstream value of "family" as the society's core and plan public services with the strengthening of the family in mind.

Development is about sustainability as well as about effects and benefits. One of the constraints Hong Kong faces in its long-term development is our demographic structure. With few natural resources, Hong Kong has managed to create an economic miracle over the past century that has caught the world's attention. This reflects the hard work of the Hong Kong people. Our sustainable development hinges on the quality of our population. We need to continue investing heavily in education, developing and promoting culture and the arts, upgrading the quality of human capital,

reforming our health care services, and paying particular attention to primary care. We also need to attract talents from around the world in all disciplines and professions to work and study in Hong Kong.

For Hong Kong to rise to a new height, we also need to pursue democratic development in addition to economic and social developments and improvement of people's livelihood. We hope that, after we have set the course for implementing universal suffrage, the Hong Kong community can discontinue unceasing internal debates on constitutional development, and focus on economic development, social services and livelihood issues. Moreover, we will continue to implement "One Country, Two Systems" faithfully and strengthen promotion of the Basic Law and national education.

Hong Kong's success today owes much to our people's hard work, dedication and perseverance over the years. Together we have risen to challenges and made significant progress. We have established a developmental path and written this chapter of our history. Hong Kong's history is in the making with every single step we take.

Chapter 1

Ten Major Infrastructure Projects to Boost Our Economy

Preamble

To keep pace with the latest developments in the region, Hong Kong needs to accelerate our infrastructure development. To boost our economy in the next five years, we will accord higher priority to the development of industries that already enjoy a competitive advantage. Our aim is to maintain Hong Kong's status as an international centre of financial services, trade and shipping, as well as to develop on fronts such as financial services, logistics, tourism and information services.

The economic benefits brought about by accelerated infrastructure development are apparent. In the 1970s and 1990s, various large-scale infrastructure projects provided the momentum for Hong Kong to develop into a cosmopolitan city. Cross-boundary projects which strengthen our linkage with the Mainland and the region will further enhance Hong Kong's competitiveness on a global scale. Embarking on major infrastructure developments also creates ample employment opportunities and boosts our Gross Domestic Product.

In promoting economic development, our top priority is to consolidate Hong Kong's status as an international centre of financial services, trade and shipping. With the ardent support of the Mainland, we are confident of achieving this goal. The commencement of various infrastructure projects will also reinforce Hong Kong's leading position in tourism, creative industries, logistics as well as aviation and maritime services.

New Initiatives

We will:

- Strengthen support for Hong Kong enterprises on the development and promotion of Hong Kong brands to enable them to better compete in the Mainland and overseas markets.
- Strengthen support for small and medium enterprises (SMEs) including those operating in the Mainland by enhancing the SME Funding Schemes.
- Work closely with the trade to facilitate the latter's adjustment to changes in the Mainland's policy on processing trade, including assisting them to upgrade, relocate their operation and develop new markets.
- Step up our economic ties with the emerging markets in Russia, India and the Middle East and help our enterprises tap the growing business opportunities in these markets.
- Issue a consultation paper on detailed legislative proposals on a Competition Bill so that stakeholders can better understand the proposed statutory framework for regulating competition and express their views before we formally introduce the Bill into the Legislative Council.
- Review the front-end electronic services (known as the Government Electronic Trading Services) for submission of six commonly used trade documents by traders or carriers to the Government with a

view to improving the mode of service delivery. Our target is to commence the process of selecting service providers in early 2008.

- Promote honest tourism together with the travel industry, relevant organisations and Mainland tourism authorities, with a view to maintaining Hong Kong's reputation as a quality tourist destination.
- Invite the Hong Kong Tourism Board to strengthen its promotion of multi-destination itineraries in key source markets and marketing efforts in non-Guangdong provinces.
- Advocate measures to further facilitate visitors' entry into Hong Kong, especially enhancing the visitor-friendliness of entry facilities.
- Review and formulate strategies on the development of Hong Kong's convention, exhibition and related tourism industries by a cross-sector steering committee.
- Closely monitor demand for convention and exhibition infrastructure, plan for additional facilities and actively attract large-scale international conferences and exhibitions to Hong Kong.
- Provide radio frequency spectrum for the introduction of Broadband Wireless Access service.
- Establish a community-wide anti-spamming task force.
- Examine the feasibility of early release of radio frequency spectrum for the provision of more TV and multimedia programming choices.

- Embark on planning and engineering studies on two New Development Area (NDA) Schemes, namely the “Three-in-One” NDA comprising Kwu Tung North, Fanling North and Ping Che/Ta Kwu Ling, and the Hung Shui Kiu NDA with a view to providing housing land and meeting other land use requirements in the future.
- Strengthen our partnership with Shenzhen and jointly explore the feasibility of developing Lok Ma Chau Loop to the mutual benefits of both sides, and steer further research and planning work on other cross-boundary issues like border crossings and the development of the boundary areas.
- Press ahead with mega projects essential to Hong Kong’s economic progress, such as Kai Tak Development through close supervision at a high level.
- Proceed in full swing with the development of the West Kowloon Cultural District as soon as possible taking into account public views, and strengthen cultural software mainly through a series of measures to enhance support for arts groups, artists, arts education and audience building, so as to facilitate the long-term development of culture and the arts.
- Plan actively for the proposed Tuen Mun Western Bypass and Tuen Mun-Chek Lap Kok Link.
- Study the engineering and environmental feasibility of building a new runway at the Hong Kong International Airport.

- Improve 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 a study on options to improve the existing infrastructure of the Hong Kong International Airport, air traffic control and flight procedures with a view to increasing our runway capacity.
- Foster closer co-operation between the Hong Kong International Airport and Shenzhen Airport and study the feasibility of direct rail link between them.
- Launch a training programme for the freight forwarding sector.
- Facilitate ship finance in Hong Kong.
- Advance financial co-operation with the Mainland and develop a mutually-assisting, complementary and interactive relationship between the financial systems of the two places, which include seeking for Hong Kong financial institutions to expand their presence on the Mainland; encouraging Mainland funds, investors and financial institutions to go overseas through Hong Kong; strengthening the links of the financial markets in Hong Kong and the Mainland, including for Hong Kong financial instruments to be traded on the Mainland; continuing to expand the Renminbi business in Hong Kong; and strengthening the financial infrastructural links between Hong Kong and the Mainland.
- Work with the industry to study the market potential of Islamic bonds and make recommendations to develop a platform for the development of an Islamic bond market in Hong Kong.

- Review the provisions in the Trustee Ordinance with a view to strengthening the competitiveness of Hong Kong's trust services industry and enhancing Hong Kong's position as an international financial centre.
- Lead financial services delegations to selected cities in the Mainland and in Asia to showcase Hong Kong's position as an international financial centre in general and to promote Hong Kong as a preferred listing venue in particular.

On-going Initiatives

We are:

- Finalising the arrangements for the setting up of an Economic and Trade Office in Berlin to strengthen our economic and trade representation in Europe.
- Participating actively in the work of the World Trade Organization to bring about continual trade liberalisation and to promote and protect the trade interest of Hong Kong.
- Working closely with the Mainland authorities at the central, provincial and municipal levels to ensure the smooth and effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA); promoting greater understanding of the opportunities under CEPA; and making use of the standing consultation mechanism of CEPA to seek to discuss with the Mainland authorities on further trade liberalisation and additional market access opportunities for Hong Kong goods and services.
- Encouraging more Mainland and overseas enterprises to invest and set up regional headquarters or offices in Hong Kong, and undertaking joint promotional efforts with the Mainland authorities to promote the combined competitive advantages offered by Hong Kong and the Mainland.

- 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.
- Taking forward the preparation of related subsidiary legislation for the recently enacted Copyright (Amendment) Ordinance 2007 as well as rolling out publicity and public education programmes targeted at relevant sectors before the new liability provisions in the Ordinance are brought into operation.
- Taking forward the review on copyright protection in the digital environment having regard to views received in the public consultation exercise ending April 2007, with a view to releasing preliminary proposals in early 2008 for building up a consensus.
- Publishing the 2007 Digital 21 Strategy and pursuing programmes and initiatives therein, so as to harness the benefits of IT for business and citizens and to strengthen Hong Kong's position as a leading digital city in the world.
- Enabling, via a pilot scheme, the commercial exploitation of the intellectual property in the government IT systems originally developed by contractors for creating a better business environment for Hong Kong.
- Operating a new standing offer procurement arrangement for IT professional services that focuses on overall value to the Government and sustains the vibrant economy.

- Exploring further opportunities of data centre outsourcing with a view to improving operational efficiency and fostering the development of the local IT industry.
- Implementing a pilot e-procurement programme to handle low-value, high-volume purchases to improve internal efficiency and encourage external suppliers to adopt e-commerce.
- Strengthening support for information industries, including facilitating market access.
- Maintaining government information security policies and practices at very high standards and ensuring their compliance. Advising public organisations and regulated sectors to do the same. Further enhancing public awareness of information security threats and mitigation measures.
- Implementing the framework for the migration from analog to digital terrestrial television broadcasting with a view to commencing digital terrestrial television broadcasting by 2007 and achieving a digital coverage for at least 75% of Hong Kong within 2008.
- Studying the report of the Committee on Review of Public Service Broadcasting, and planning to extensively consult the public, before deciding on the policy and arrangements for future public service broadcasting of Hong Kong.
- Assessing the impact of technological and market convergence in order to facilitate the development of the electronic communications industry and services.

- Preparing for the introduction of legislation to establish a new Communications Authority to enhance regulatory co-ordination and efficiency and facilitate further development of the electronic communications industry.
- Positioning Cyberport as the one-stop hub by providing a variety of infrastructure, resources and support services to the digital entertainment industry in Hong Kong.
- Promoting applied research and development and technology transfer to the industry through implementing the strategic framework for innovation and technology development.
- Enhancing collaboration in science and technology with the Mainland at different levels and promoting interflow of technology talents with Mainland cities such as Beijing, Shanghai, Chongqing and Pan-Pearl River Delta (PRD) Region.
- Ensuring the commencement of operation of a world-class new cruise terminal at Kai Tak in 2012.
- Liaising closely with Ocean Park Hong Kong and relevant parties to ensure smooth implementation of the Redevelopment Project with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region.
- Co-ordinating efforts of Government and the tourism industry to facilitate the smooth operation of various major tourism infrastructure facilities, e.g. Hong Kong Disneyland and Hong Kong Wetland Park, and help re-establish Ngong Ping 360 as a popular tourist attraction after its re-opening.

- Planning and co-ordinating new projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project to complement the Redevelopment Project of the Ocean Park, enhancement of the Lei Yue Mun waterfront, and development of a piazza in Tsim Sha Tsui.
- Monitoring the project of developing the former Marine Police Headquarters in Tsim Sha Tsui into a heritage tourism attraction in 2008.
- Encouraging the Hong Kong Tourism Board, the Hong Kong Trade Development Council and the Economic and Trade Offices of the HKSAR to jointly promote Hong Kong as an international city.
- Commencing construction works for the Central Government Complex, Legislative Council Complex and open space development at the Tamar site by the end of 2007.
- Conducting a joint study with the Shenzhen Municipal Government to establish the need, function and benefits of developing the Liantang/Heung Yuen Wai Control Point, and in parallel proceeding with an internal study on the connecting roads on the Hong Kong side. We aim to complete the necessary evaluation and planning studies in early 2008.
- Undertaking the necessary legislative and administrative measures with a view to reducing the coverage of the Frontier Closed Area and examining the potential uses of the land to be released from the Area.

- Seeing through the amalgamation of the newly established Construction Industry Council (CIC) with the Construction Industry Training Authority scheduled for early 2008.
- Working closely with CIC to pursue initiatives for improving the standards of the construction industry, in particular on promoting construction site safety for repair and maintenance works and developing a policy framework on sustainable construction.
- Conducting a comprehensive review of the manpower situation in individual sectors of the construction industry in collaboration with CIC.
- Working closely with the Construction Workers Registration Authority to facilitate registration of construction workers and commencing implementation of prohibition in phases, with phase one coming into effect on 1 September 2007.
- Strengthening collaboration with the Mainland authorities to assist the local construction industry in exploring business prospects and pursuing mutual recognition of professional qualifications under the CEPA, and with Mainland cities in the secondment of graduate trainees to encourage exchange of talents and enhance co-operation.
- Refining the Land Titles Ordinance in consultation with stakeholders with an aim to introduce amendments to the Ordinance and the supporting regulations into the next term of the Legislative Council as early as possible.
- Co-ordinating the timetable for the disposal of railway property developments to ensure that there would not be adverse impact on the property market.

- Ensuring that our planning, land use and urban design are in line with our stated mission to protect the Victoria Harbour and enhance it for the enjoyment of our residents and visitors alike, with the participation of the community.
- Taking steps to implement the strategy recommended by the Hong Kong 2030 Study which has been completed, to guide the long-term development of Hong Kong.
- Progressively implementing the proposals in the Revised Concept Plan for Lantau to realise the vision for balanced and co-ordinated development of Lantau.
- 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 extension of self-service immigration clearance to frequent visitors, and developing a "Road Cargo System" that provides the electronic infrastructure for facilitating customs clearance of road cargoes as well as the movement of transshipment cargoes that involve inter-modal transfer (e.g. from land to air).
- Reviewing the demand for air services from time to time and continuing to formulate development strategy to support the continued growth and development of the civil aviation industry.
- Continuing to assist the Airport Authority to expand inter-modal connections to strengthen the links between the Hong Kong International Airport and the PRD Region.

- Replacing the Civil Aviation Department's (CAD) air traffic control system and developing a new CAD Headquarters on the Airport Island to support the long-term growth of the aviation industry.
- Continuing to implement the measures recommended by the Hong Kong Port-Master Plan 2020 Study to enhance the competitiveness of the Hong Kong Port.
- Finalising the Port Cargo Forecast Study and based on the findings, reviewing the port expansion strategy and the optimal option for the development of Container Terminal 10.
- Finalising the Ecology Study on Northwest Lantau and based on findings, reviewing the optimal option for the development of Container Terminal 10.
- In the context of cross-boundary logistics co-operation, further enhancing collaboration on the basis of the achievements so far, and continuing to discuss with the Guangdong authorities measures to reduce cross-boundary trucking cost, with a view to enhancing freight flow and logistics efficiency between the two sides.
- Finalising the detailed feasibility study on the Lantau Logistics Park project to fulfil the statutory requirements for the subsequent zoning and reclamation of the site for the Park.
- Monitoring the implementation of the Digital Trade and Transportation Network (DTTN) services in accordance with the Operating Agreement signed with the DTTN Limited.

- Continuing to press ahead with the preparatory work for the Hong Kong-Zhuhai-Macao Bridge, including following up with the site selection study for the Hong Kong boundary-crossing facilities and the financing arrangements of the project, with a view to finalising and submitting the feasibility study report to the Central Government for approval, and commencing the construction work as soon as possible.
- Examining rigorously the project proposals submitted by the Kowloon-Canton Railway Corporation on the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Dedicated Corridor Option), and on the Northern Link.
- Finalising the detailed design of the widening of the town centre section and improvement of the expressway section of Tuen Mun Road in the light of comments received during consultation, with a view to commencing construction in 2008.
- Implementing the merger of the Mass Transit Railway and the Kowloon-Canton Railway systems. If the merger proposal is approved by the independent shareholders of the MTR Corporation Limited, the MTR Corporation Limited and the Kowloon-Canton Railway Corporation will make final preparations for implementing the merger as soon as possible.
- Continuing to actively pursue the planning of various proposed railway projects including the West Island Line, the Shatin to Central Link and the South Island Line.
- Continuing to monitor the progress of the Kowloon Southern Link for timely commissioning in late 2009.

- Disposing of surplus Home Ownership Scheme flats in a smooth and orderly manner.
- Seeking the enactment of the Mainland Judgments (Reciprocal Enforcement) Bill to implement the arrangement for the reciprocal enforcement of judgments in specific commercial matters with the Mainland.
- Encouraging greater exchanges between Hong Kong and Mainland legal professions for the purpose of assisting local service providers to explore further opportunities to access the Mainland legal services markets and to strengthen co-operation with their Mainland counterparts under the CEPA.
- Assisting in the development of Hong Kong as a regional centre for legal services and dispute resolution.
- Going to consult the public on a draft Arbitration Bill which will provide for the unification of legal regimes for domestic and international arbitration and make both the law and the process more user-friendly.
- Overseeing the completion of the socio-legal research being conducted by consultants into the supply of, and demand for, legal services in the community and considering the way forward in the light of the recommendations made therein.
- Promoting Hong Kong's asset management industry with a view to enhancing Hong Kong's position as a major asset management centre in Asia.

- Promoting bond market development. Securities and Futures Commission will develop a framework proposal for legislative amendments with a view to modernising the regime for public equity and debt offerings. Hong Kong Monetary Authority will continue to enhance the Exchange Fund Bills and Notes Programme by lengthening the benchmark yield curve to 15 years and developing an electronic trading platform for the Exchange Fund Bills and Notes.
- Promoting the quality of our financial markets through enhancing the regulatory regime and fostering good corporate governance practices. A Securities and Futures (Amendment) Bill is being prepared to give statutory backing to important listing requirements.
- Seeking to broaden the source of corporations using Hong Kong as a platform for listing with a view to facilitating and attracting listings of quality overseas companies.
- Strengthening HK-Shenzhen financial services co-operative relationships under the framework of Pan-Pearl River Delta Regional Cooperation and Development Forum.
- Preparing proposals on the setting up of an independent Insurance Authority for consultation with stakeholders.
- Conducting the rewrite of the Companies Ordinance with a view to providing Hong Kong with a modernised legal infrastructure attuned to its needs in the 21st century as an international business and financial centre.

- Promoting the use of Hong Kong's financial platform for financial intermediation originated from, or destined for, the Mainland and other economies in the region. Measures include enhancing the capability of Hong Kong's financial system to handle Renminbi-denominated transactions and strengthening financial infrastructure linkages between the Mainland and Hong Kong and between Hong Kong and the rest of the region. Actively engaging in promotional efforts to encourage enterprises from the Pan-PRD Region to use Hong Kong as a global capital formation and investment platform.

Chapter 2

Quality City And Quality Life

Preamble

To become our country's most advanced city, Hong Kong needs to promote economic development and also maintain a quality city life. Environmental protection is now a global concern, especially when the problem of global warming has become increasingly serious. We will introduce various environmental protection measures to reduce greenhouse gas emissions and tighten the emission standards of pollutants. The Government will also join hands with the public and the business sector to promote various environmental conservation measures. This is a long-term continuing commitment, which requires our sustained and persistent efforts to bear fruit. The Government is taking the lead in vigorously promoting environmental protection as an important social value. In addition, heritage conservation has become an issue of utmost public concern in recent years. Our efforts in heritage conservation will go beyond the preservation of buildings. We will take it a step further by considering their revitalisation and draw up plans in the district-wide context. We will also enhance our communication and interaction with the districts in future. Food safety is also integral to quality life. We will work to ensure food safety through improvements to legislation, more vigorous law enforcement and enhanced food tracing.

New Initiatives

We will:

- Promote a culture of innovation, technology and design to the general public, particularly the younger generation to support the development of creative industry.
- Adopt a new policy statement on heritage conservation and implement a package of measures to progressively achieve the stated objectives.
- Require heritage impact assessments to be conducted for public works projects at the project inception stage with a view to avoiding interference with historic sites or buildings or where this is unavoidable, to mitigate the impacts.
- Intensify and expedite adaptive re-use of government-owned historic buildings and turn these into unique cultural landmarks through a special scheme involving non-governmental organisations.
- Put in place appropriate incentive to promote and facilitate the preservation, including maintenance, of historic buildings in private ownership.
- Establish an office of a Commissioner for Heritage in the Development Bureau to co-ordinate work on the heritage conservation and to provide the focal point for local and overseas networking.

- Enhance collaboration with the Urban Renewal Authority (URA) and the Hong Kong Housing Society in area improvement schemes to preserve local characteristics.
- Create more opportunities for involving stakeholders and members of the public in heritage conservation and area improvement work.
- Expedite capital works projects which will improve the quality of living, such as extending the development of Greening Master Plans (GMPs) to the New Territories, launching the final stage of a comprehensive replacement and rehabilitation of water mains programme and developing comprehensive cycle tracks in the New Territories.
- Progressively stipulate in all outline zoning plans clear development restrictions on plot ratio, site coverage and/or building height where justified to improve the living environment.
- Review the approved schemes of property development projects at Nam Cheong and Yuen Long Stations along the West Rail with a view to lowering their development intensity.
- Develop a strategy for the improvement of the Yuen Long Town Nullah to enhance the local environment quality and the ecological value of the nullahs.
- Devise a strategy to deal with natural hillside catchments known to be susceptible to potential landslides and which are close to buildings and public facilities, based on a risk-based ranking system to set priority.

- Consult the public on the proposal to mandate compliance with Building Energy Codes to improve energy efficiency and conservation in buildings.
- Take the Energy Efficiency (Labelling of Products) Bill through the legislative process with a view to rolling out the first phase of the Mandatory Energy Efficiency Labelling Scheme within 2008. Planning for the coverage of its second phase will also start in the year.
- Enhance the operation of the Environment and Conservation Fund to promote collaboration with relevant local and international bodies in projects to raise HKSAR's profile as a leading green city as well as to strengthen international and regional collaboration to address environmental challenges.
- Legislate for Producer Responsibility Schemes and, in accordance with the "polluter pays" principle, introduce the first scheme in the form of an environmental levy on plastic shopping bags to address their indiscriminate use.
- Encourage Hong Kong-owned factories in the Pearl River Delta (PRD) Region to adopt cleaner production technologies and practices in order to reduce emissions and enhance energy efficiency, and thereby further improve regional air quality, through launching a five-year programme on professional and technical support to be implemented by Hong Kong Productivity Council.
- Initiate a comprehensive consultancy study on climate change to assess its impact on Hong Kong and recommend suitable strategies to enhance further our existing adaptation and mitigation measures.

- Further reduce the duty rate for Euro V diesel to \$0.56 per litre for a period of two years to encourage early supply of this more environment-friendly fuel with 80% less sulphur content than ultra-low sulphur diesel on the local market. As there is no technical barrier for all existing diesel vehicles to migrate to Euro V diesel, the duty concession would facilitate adopting Euro V standard as the statutory standard for motor vehicle diesel made available in Hong Kong. We would review this measure before making the standard mandatory in 2009, in tandem with the European Union (EU).
- Promote the use of biodiesel by committing to a duty-free policy and develop specifications on its use as motor vehicle fuel.
- Encourage ferry operators to switch to cleaner fuel.
- Conduct consultation on mandating the use of ultra-low sulphur diesel in all industrial and commercial processes.
- Formulate the Food Safety Ordinance to further enhance the regulatory framework on food in Hong Kong.
- Establish a set of comprehensive registration system for food importers and distributors to enhance food tracing.
- Formulate a set of comprehensive and clear food safety standards that fits Hong Kong's specific situation.
- Convert all aqua privies into flushing toilets in phases by 2012-13.

On-going Initiatives

We are:

- Implementing the DesignSmart Initiative to promote wider use of design and innovation in industries to help them move up the value chain.
- Promoting Hong Kong design and encouraging the use of design to add value to our goods and services and Government's interface with the public, through enhanced support for the Hong Kong Design Centre.
- Promoting the development of the film industry through new support measures, including funding the production of small-to-medium budget films through the Film Development Fund and implementing recommendations from the Film Development Council.
- Enhancing efforts to incorporate elements of design and creativity into teacher development programmes, learning and teaching resources, student learning experiences and student assessment with a view to nurturing creativity among primary and secondary students.
- Facilitating the development of creative industries through efforts to promote culture and the arts, including supporting the operation of a creative arts centre at the former Shek Kip Mei factory building to help nurture budding artists.

- Reviewing the optimal arrangement for preserving the Central Police Station, Victoria Prison and the former Central Magistracy Compound with a view to transforming these historic buildings into unique cultural landmarks.
- Continuing to achieve the objective of decking 16 sections of nullahs by 2014 to improve the living environment.
- Mapping out a long-term strategy for Total Water Management in Hong Kong, aligning and strengthening on-going activities in accordance with the long-term strategy.
- Expediting the reprovisioning of the Sha Tin Water Treatment Works, through a modified implementation strategy that will result in a more reliable and balanced water supply system.
- Continuing to promote the wider use of energy efficient devices and adoption of renewable energy systems in public works projects.
- Conducting a study on the general strategy for replacement of aged electrical and mechanical installations on government premises to meet modern day requirements, including the wider use of environment-friendly installations.
- Continuing to develop and implement GMPs for urban areas by mid-2009.
- Developing a performance-based regulatory system to facilitate modern and innovative building design.
- Completing the engagement process with stakeholders and finalizing the proposals on a minor works control system to

streamline statutory procedures for processing such works in order to improve the legislative framework for building control and building safety. We will introduce amendments to the Buildings Ordinance in the 2007-08 legislative session to implement the minor works control regime.

- Proceeding with drafting legislation on a mandatory building inspection scheme and a mandatory window inspection scheme to require private building owners to inspect their buildings and windows regularly for introduction into the next term of the Legislative Council as early as possible.
- Working closely with the Hong Kong Housing Society and the URA to assist owners of older buildings to properly manage and maintain their buildings. We are also continuing our efforts to enhance building management and maintenance of private buildings through public education, publicity and participation of professional bodies.
- Implementing the flood prevention programme to enhance the protection level in flood prone areas, including initiating a review of the Drainage Master Plans for the northern and northwestern New Territories.
- Continuing with the Landslip Preventive Measures Programme to improve slope safety and visual impact of the built environment. We will upgrade another selected batch of 250 substandard government slopes and conduct safety-screening for another 300 private slopes in the coming year.

- 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 discuss with the two power companies the terms of the new Scheme of Control Agreements, including to put in place an effective mechanism to ensure reduced emission and to lower the permitted return of the companies so as to lower electricity tariffs. We will take into account public views received during the two rounds of public consultation on “Future Development of the Electricity Market in Hong Kong” in taking forward our medium term target of market liberalisation, including the establishment of a new regulatory framework.
- Tightening progressively the caps on the total emissions of power companies and requiring them to maximise the use of natural gas in power generation.
- Continuing to monitor the progress of the two power companies in implementing pilot commercial-scale wind energy projects for public demonstration and evaluation purposes and promoting the wider application of renewable energy.
- Advancing the disinfection of the wastewater from Stage 1 of the Harbour Area Treatment Scheme to 2009 while continuing to implement Stage 2 in phases with the aim of completing Stage 2A within 2014. Based on the results of a review in 2010-11, we will decide on the timing for building the biological treatment plant under Stage 2B.
- Continuing to implement “the Hong Kong Special Administrative Region Implementation Plan” for meeting the obligations under the

Stockholm Convention on Persistent Organic Pollutants. We will introduce subsidiary legislation into the Legislative Council with a view to commencing operation of the Hazardous Chemicals Control Ordinance in 2008. Recommending to the Central Government the extension of the Rotterdam Convention into HKSAR to further control hazardous chemicals.

- Completing surveys of the effluents of the remaining 26 trades under the Trade Effluent Surcharge scheme by the end of 2007. We aim to make any necessary adjustments to the scheme so as to equitably apply the “polluter pays” principle to the provision of sewage services in early 2008.
- Continuing to deliver inert construction and demolition materials to the Mainland for reclamation purposes. We will liaise with the Mainland authorities to identify more possible sites for their reuse.
- Continuing with the implementation of the Regional Air Quality Management Plan with the Guangdong Provincial Government to reduce the emission of four major air pollutants in the PRD to reach the agreed levels by 2010.
- Undertaking a comprehensive study to review Hong Kong’s Air Quality Objectives and develop a long-term strategy on air quality management, followed by extensive consultation and public engagement.
- Overseeing the implementation of the pilot scheme on management agreement and Public-Private-Partnership promulgated under the New Nature Conservation Policy, with the objective of enhancing conservation of ecologically important habitats on private land.

- Continuing to tighten vehicle emission and fuel standards in tandem with the EU.
- Developing a proposal for stakeholder consultation with a view to strengthening the control of emissions from petrol and Liquefied Petroleum Gas vehicles, including the use of roadside remote sensing equipment and dynamometers for emission testing.
- Considering the introduction of a statutory ban on idling engines in the light of the outcomes of public consultation.
- Providing incentives to encourage owners of pre-Euro and Euro I diesel commercial vehicles to replace their old vehicles with vehicles compliant with the prevalent emission requirements for newly registered vehicles.
- Encouraging the use of environment-friendly private petrol cars by reduction in first registration tax.
- Continuing to implement the initiatives in “A Policy Framework for the Management of Municipal Solid Waste in Hong Kong (2005-2014)” by extending the territory-wide source separation of waste programme, pursuing the proposed amendment of Building (Refuse Storage and Material Recovery Chambers and Refuse Chutes) Regulations to include a mandatory requirement on the provision of a refuse storage and recovery room on each floor of new residential buildings to facilitate material recovery activities, awarding tenancies for the second batch of EcoPark, planning for consultation on options for municipal solid waste charging and carrying out feasibility and environmental impact assessment studies on landfill extensions.

- Upgrading the Chemical Waste Treatment Centre in 2008-09 to meet the latest air-emission standards of the EU.
- Tightening up the regulatory framework for poultry and animals for the purpose of enhancing public health and food safety.
- Formulating measures to promote sustainable development of the fishing industry and to conserve fisheries resources in Hong Kong waters.
- Introducing legislation to control the abstraction of seawater from the coastal waters for keeping live seafood to enhance food safety.
- Reviewing proposals on the regulation of restricted dining places to safeguard public health.
- Exploring how to co-operate with the Mainland authorities on using latest information technology application to ensure effective tracing of food along the production chain and achieve better food safety management through control at source.
- Reviewing the policies related to the provision of cemeteries, columbaria and crematoria facilities and striving to provide more facilities to meet future demand.
- Continuing to enrich cultural and recreational facilities based on community needs, including the implementation of suitable projects of the former Urban Council and Regional Council.
- Planning the development of a Multi-purpose Stadium Complex in Kai Tak.

- Providing a platform for and assisting the sports sector to collaborate with business sector in organising international sports events.
- Identifying and designating support for “up-and-coming” sports, so as to enhance Hong Kong’s medal hope in the international sports arena.
- Working with stakeholders on measures to further enhance the support to elite athletes particularly upon their retirement.
- Facilitating the re-development of the Hong Kong Sports Institute.
- Developing and implementing a holistic strategy to promote wider participation in sports by people of all age groups.
- Preparing in full gear for the 2009 5th East Asian Games. Providing competition venues of international standards, encouraging community involvement in sports activities and the Games, thereby enhancing our sporting culture.
- Developing a cultural, arts and sports network in the PRD, especially in the light of the fourth phase of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA IV) liberalisations.
- Encouraging funding from the business sector and individuals to support the arts and cultural activities in Hong Kong.
- Devoting attention to the preservation and development of Cantonese opera as a local indigenous art form, and facilitating the promotion of major arts and cultural events and festivals in Hong Kong, so as to highlight our status as an international city.

- Implementing the recommendations of the Committee on Performing Arts with a view to enhancing the operation and management of cultural services and venues, rationalising the use of existing performance venues through the venue partnership scheme, and identifying and developing new venues to address the venue shortage problem.
- Implementing the recommendations of the Committee on Museums and the Committee on Libraries, devising plans to enhance the management and operation of public museum services, and strengthening the role and functions of public libraries in the promotion of reading and appreciation of literary arts.
- Commissioning an agency to, after making reference to the pilot phase of the study, compile a comprehensive inventory of Hong Kong's intangible cultural heritage in accordance with the requirement of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Convention for the Safeguarding of the Intangible Cultural Heritage with a view to strengthening their preservation and promotion in Hong Kong.
- Implementing the amended Building Management Ordinance and putting in place the associated subsidiary legislation for the benefit of owners' corporations and property owners.
- Continuing the study on long-term options for better meeting demands for emergency ambulance services.

- Promoting the use of environment-friendly buses by implementing the provision added in the new bus franchises on the adoption of the latest commercially available and proven environment-friendly technologies for acquiring new buses, encouraging bus companies to deploy cleaner vehicles along busy corridors, including the provision of environment-friendly measures as appropriate as a criterion in selecting operators for new bus route packages and enhancing bus service rationalisation to reduce roadside air pollution, noise nuisance, traffic congestion and energy consumption.
- Continuing to consider measures to regulate traffic, including fiscal and traffic management means, with a view to reducing congestion along major transport corridors and to consult the community on the proposals.
- Promoting sustainable public housing developments by designing for green and healthy living, and ensuring effective and rational use of housing resources.

Chapter 3

Investing for a Caring Society

Preamble

As an advanced city, Hong Kong should excel not just in economic development and quality living but also in fostering a “caring culture”. While our economy has seen an upturn in recent years, the opportunities to share the fruits of prosperity vary among different sectors of the community. This has given rise to concerns about the widening wealth gap in our society. We will strive to improve the livelihood of people at the grassroots level by enhancing their competitiveness through education and training.

In his Policy Address last year, the Chief Executive put forward the idea of cherishing the family as a core value of social harmony, and proposed setting up a Family Commission to oversee a wide spectrum of policies related to family support. The proposal will be fully implemented this year. Social enterprises constitute another important policy area. Based on tripartite collaboration between the Government, the business sector and the community, we will develop enterprises with social objectives to create more job opportunities. In parallel, we will expand the scope of the Employees Retraining Scheme, launch a one-stop employment service on a pilot basis, and offer a variety of welfare and employment support programmes under the concept of “helping people to help themselves”.

We must not forget the disadvantaged groups who are unable to attain self-reliance. The Government will continue to provide them with care and support.

New Initiatives

We will:

- Organise a summit before the end of the year and put forward an action plan to promote the development of social enterprises.
- Set up a high-level Family Council to better formulate policies and initiatives relating to family support and integrate the work of the Youth Commission, Women's Commission and Elderly Commission on family support matters.
- Implement a set of enhanced public housing arrangements to promote mutual family support and care for the elderly.
- Launch a three-year pilot scheme in the 2008-09 financial year to provide five medical vouchers, each of \$50 value, to the elderly aged 70 or above per year as a subsidy for their use of private primary health care services, and as a token of appreciation for their contribution to the society. The pilot scheme also seeks to promote better use of primary health care services among the elderly, to encourage them to foster a long-term doctor-patient relationship with family doctors and attach greater importance to disease prevention.
- Study the long-term development planning for social welfare through the Social Welfare Advisory Committee.
- Enhance elderly centres' outreaching efforts to singleton and hidden elderly to help them develop social life. Strengthen also the referral, counselling and support services to the elderly in need.

- Provide additional subsidised day care places for frail elderly to support “ageing in the community”. Launch a trial scheme in three districts to provide carer training and develop “elder sitter” services for elders in need.
- Launch a trial scheme to provide integrated support services to elderly hospital dischargees who have difficulty taking care of themselves and to their carers.
- Provide additional subsidised residential care places for frail elderly to meet their growing long-term care needs. Upgrade places in subvented residential care homes for the elderly to provide infirmary care.
- Study the long-term planning for subsidised welfare services for the elderly.
- Strengthen services and support for persons with disabilities and their families/carers through the enhancement of district-based community support services, and increasing places of day training, vocational rehabilitation, pre-school and subvented residential services.
- Extend the Comprehensive Child Development Service in phases.
- Strengthen the provision of day foster care services and promote different forms of child care services to meet the varying needs of families.
- Intensify direct support for victims of domestic violence and vulnerable families, including increasing placement in refuge centres for women, expanding residential services for children, and enhancing the hotline service of the Social Welfare Department.

- Launch a new anti-violence programme for abusers, and continue with the pilot batterer intervention programme.
- Strengthen prevention and tackling of domestic violence through public education and enhanced training for related professionals.
- Launch a pilot Child Fatality Review Mechanism.
- Study how best to put in place a “one-stop” employment service through streamlining, integrating and enhancing existing employment and training/retraining services of the Labour Department, Social Welfare Department and Employees Retraining Board (ERB), and to launch a pilot to try out the “one-stop” model. The aim is to better assist the unemployed and realise the objective of “from welfare to self-reliance”.
- Relax the eligibility criteria of the Employees Retraining Scheme to cover people aged between 15 and 29 and those with education level at sub-degree or below. Meanwhile, a strategic review of the ERB is in progress. The review seeks to enhance the ERB’s services and operation, including the optimal use of the Employees Retraining Levy.
- Create 3 000 three-year positions for young people in 2008-09 in partnership with non-governmental organisations to enhance their work experience and employability.
- Set up a new Task Force on Poverty within the Government to co-ordinate efforts across the Government in poverty alleviation and monitor their overall progress.

- Enhance occupational safety and health through setting up a central investigation mechanism in the Labour Department to encourage workers to report malpractices in workplaces and stepping up the monitoring of the performance of mandatory safety training course providers.
- Conduct a review on the definition of continuous employment under the Employment Ordinance in the light of recent developments in the labour market.
- Enhance current measures and formulate new measures to tackle emerging trends in drug abuse, particularly drug abuse among youths.
- Map out how mediation can be more effectively and extensively applied in both commercial disputes and at the community level, with the assistance of a Working Group to be established by the Secretary for Justice.

On-going Initiatives

We are:

- Continuing our work on the promotion of human rights.
- Continuing to process the Race Discrimination Bill introduced in the Legislative Council in 2006.
- Working closely with the Ping Wo Fund Advisory Committee on the use of the Ping Wo Fund to finance public education to prevent gambling-related problems, to provide counselling and support services to pathological gamblers, and to conduct research on studies on gambling-related issues.
- Together with stakeholders, encouraging further development of social enterprises to help enhance the employability of the able-bodied unemployed. Reinforcing the district-based approach in alleviating poverty through implementing the Enhancing Self-Reliance Through District Partnership Programme and other district co-ordination work.
- Continuing to work in collaboration with the construction industry to monitor and control payment of workers' wages and reduce non-value added multi-layer subcontracting to raise industry standards.
- Further promoting the Wage Protection Movement for cleaning workers and security guards and securing the support of different sectors in the community. A mid-term review will be conducted on the Movement in October 2007 to gauge its progress, and a final review will be carried out to evaluate its overall effectiveness

in October 2008. If the final review finds that the Movement fails to yield satisfactory results, the Administration will introduce a statutory minimum wage for cleaning workers and security guards.

- Implementing the pilot Transport Support Scheme to encourage needy unemployed and low-income employees living in designated remote districts to find jobs and work across districts, with a review of the Scheme to be conducted at the end of the one-year pilot.
- Opening two Youth Employment Resource Centres before end-2007 to provide one-stop advisory and support services on employment and self-employment to young people aged 15-29.
- Implementing the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme to enhance the employability of young people aged 15-24.
- Implementing the Special Incentive Allowance Scheme for Local Domestic Helpers (LDH) to promote the LDH market.
- Taking stronger enforcement action against wage offences.
- Promoting family-friendly employment practices such as flexible work arrangements, family leave benefits and employee support schemes.
- Familiarizing stakeholders with the new medical functions of registered Chinese medicine practitioners in relation to employee benefits under labour laws.
- Taking stronger enforcement action and conducting more publicity to combat illegal employment.

- Setting up a Child Development Fund to encourage children from a disadvantaged background to plan for the future and cultivate positive attitudes with a view to reducing inter-generational poverty.
- Reviewing measures under the Comprehensive Social Security Assistance (CSSA) Scheme to encourage and help able-bodied CSSA recipients to become self-reliant.
- Encouraging schools to collaborate with non-governmental organisations in providing school-based after-school learning and support services for needy students.
- 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.
- Introducing progressively the use of the Gender Mainstreaming Checklist in different policy areas, and working with the Women's Commission to further promote gender mainstreaming.
- Strengthening district welfare planning and co-ordination.
- Implementing the Family Support Programme to increase connection with vulnerable families which are unmotivated, so that their problems can be tackled early and appropriate services provided.
- Following through the scrutiny of the Domestic Violence (Amendment) Bill by the Legislative Council to enhance the prevention of domestic violence and to render better protection for victims of domestic violence.

- Enhancing transport services for people with disabilities through improvements to rehabus service, and examining ways of further improving accessibility of transport services.
- Providing transitional residential services to the severely disabled persons, including tetraplegic patients, as well as convalescent and continuing rehabilitation day services to discharged patients with mental, neurological or physical impairment to facilitate their early reintegration into the community.
- Promoting active ageing to encourage elders to lead a fruitful life.
- Converting subvented residential care places into long-term care places for frail elders to meet the growing care needs of elders.
- Enhancing the service capacity of subsidised home-based services for vulnerable elders in the community.
- Training additional Enrolled Nurses for the welfare sector.
- Maintaining supply of public rental housing (PRH) for needy applicants with an average waiting time of around three years.
- Preparing for the first rent review of PRH under the new income-based rent adjustment mechanism, including the collection and compilation of income data of PRH tenants.
- 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; making proper use of fiscal surplus, if any,

after taking account of our long-term interest; reviewing our tax base and continuing to implement the asset sale and securitisation programme.

- Exploring ways to leave wealth with people where affordable.
- Studying options for broadening the tax base and to consult the public further on those options which are more practical in due course.

Chapter 4

Optimising Our Demographic Structure And Attracting Talents

Preamble

Advanced economies around the world face the common problem of an ageing population. Hong Kong is no exception. While the birth rate in Hong Kong is the world's lowest, our people's life expectancy is one of the world's longest. As the generation born in the post-war "baby boom" is entering old age, the proportion of the old-aged population in Hong Kong will continue to rise over the next two decades. An ageing population will have a far-reaching impact on the economy, health care, welfare, retirement protection, education and public finance. We need to prepare for this challenge with early planning. Therefore, we will take prompt action to promote health care reform, devote more resources to health care and tackle the issue of long-term health care financing.

On education, we will continue to raise the quality of education and upgrade our human capital, encourage more outstanding non-local students to study in Hong Kong and work here after graduation, and attract more talents to Hong Kong with a view to optimising our demographic structure.

New Initiatives

We will:

- Provide free senior secondary education for all students in public sector schools with effect from the 2008-09 school year. By the time the New Senior Secondary academic structure is implemented, public sector schools will be providing 12 years of free education. We will also provide, with effect from the 2008-09 school year, full subvention for full-time courses offered by the Vocational Training Council for Secondary 3 school leavers. This will provide senior secondary students with the avenue to pursue, free of charge, an alternative pathway outside mainstream education.
- Implement small class teaching having regard to prevailing circumstances, starting from Primary 1 in public sector primary schools from the 2009-10 school year and extending to higher levels progressively up to Primary 6 in the 2014-15 school year. We will consult stakeholders on the implementation details and finalise the arrangements before September 2008.
- Increase the respective ratios of graduate teacher posts in public sector primary and secondary schools by two phases, i.e. to 45% and 80% in the 2008-09 school year and to 50% and 85% in the 2009-10 school year to raise the status and professional standards of teachers for enhancement of the overall quality of education.
- Create a new deputy head rank in public sector primary schools as soon as possible to enhance the quality of primary school education services.

- Implement measures to develop Hong Kong as a regional education hub to attract and retain non-local talents. These include increasing the non-local student quota for publicly-funded programmes, allowing admission of non-local students for short-term studies at Hong Kong higher education institutions, establishing a scholarship endowment fund of \$1 billion, allowing non-local students to take up part-time work, internships and summer jobs, and facilitating non-local students to stay and contribute to the Hong Kong community upon graduation.
- Make available a number of greenfield sites for the development of new international schools or the expansion of existing schools.
- Conduct a pilot project to purchase primary care services from the private sector in Tin Shui Wai North for certain patient groups to enhance the existing provision of public general out-patient services and explore the feasibility of Public-Private-Partnership.
- Develop a comprehensive strategy to prevent and control non-communicable diseases and enhance health education to improve the population's health.
- Study how to enhance professional training and improve working conditions for medical and health care practitioners, and facilitate professional development.
- Strengthen the regulation of Chinese medicine, and enhance the integration of the Chinese medicine profession into the public health care system.

- Explore other Public-Private-Partnership initiatives to facilitate integration of the public and private health care sectors, promote healthy competition for service quality and professional standards, and provide more choices for the public.
- Review the Quality Migrant Admission Scheme and put in place the review recommendations.
- Step up the promotion of various talent admission schemes and streamline their application procedures.

On-going Initiatives

We are:

- Reviewing the population policy in the light of advice from the Council for Sustainable Development and the Hong Kong Population Projections 2007-2036.
- Encouraging and promoting public policy research in higher education institutions as a means to improve our policy-making capabilities, in particular the quality of policy research. We will extend the Public Policy Research Funding Scheme for four years until 2011-12.
- Making substantial investment in education (accounting for 23% of total government expenditure in 2007-08) to enhance the quality of our young generation, promote social mobility, and meet the needs and challenges of a changing economy.
- Enhancing the quality of pre-primary education by progressively increasing the level of direct fee subsidy for eligible parents and providing financial support for teachers' professional upgrading through the Pre-primary Education Voucher Scheme which has been up and running starting from the 2007-08 school year.
- Planning with four remaining primary schools to turn into whole-day schooling.

- Implementing the revised Secondary School Places Allocation System to students proceeding to Secondary 1 in September 2007 and thereafter. Preparing for the implementation of the revised Medium of Instruction arrangements for secondary schools from September 2010.
- Implementing specialised teaching in English, Mathematics and Chinese subjects from the 2007-08 school year onwards after the creation of permanent teaching posts in public sector primary schools in the 2006-07 school year.
- Broadening the range of school-based professional support programmes for kindergartens, primary and secondary schools to help them take forward education reform initiatives.
- Transforming senior secondary and higher education through professional capacity building and supporting institutional preparation to implement the changes from 2009.
- Implementing a qualifications framework by phases through the formation of industry training advisory committees to develop competency-based qualifications for individual industries, and developing a quality assurance mechanism to underpin the qualifications framework.
- Establishing the Academy for Gifted Education to develop the potential of students with exceptional talent by providing more structured, articulated and challenging off-site programmes and promoting the concepts and practices of gifted education.

- Improving the language standards in Hong Kong by implementing the Action Plan recommended by the Standing Committee on Language Education and Research, including professional upgrading of language teachers, enhancing the quality of English teaching at pre-primary level, and creating a conducive language learning environment in collaboration with the mass media.
- Strengthening support to teachers through the provision of professional development opportunities and a professional preparation grant for creating space for teachers to attend professional development programmes for the New Senior Secondary Curriculum.
- Promoting overseas exchange programmes to nurture students' global perspective and encouraging their participation in international events and activities.
- 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.
- Updating and enhancing our work in the prevention and control of infectious diseases through amending the Quarantine and Prevention of Disease Ordinance and seeking continuous improvement to our infectious disease surveillance, control and notification system.
- Developing a multi-pronged strategy to minimise the risk of avian influenza outbreaks, including the development of a poultry slaughtering and processing plant.

- Continuing our efforts in tobacco control through the multi-pronged approach of publicity, promotion, education, legislation and taxation, and introducing a draft legislation to provide for a fixed penalty system to strengthen enforcement of the smoking prohibition under the Smoking (Public Health) Ordinance.
- Promoting healthy eating habit among school children to protect the public from life-style diseases.
- Enhancing the cancer surveillance regime.
- Further to the consultation after issuing the discussion paper “Building a Healthy Tomorrow” in 2005, planning to further consult the public on proposals for health care reform including financing arrangements in late 2007. These proposals include enhancing primary health care; addressing the present imbalance in the public and private health sectors; exploring Public-Private-Partnership both in care services and in the development of medical centres of excellence; developing a territory-wide patient-oriented electronic health record; proposing supplementary financing arrangements such as medical savings and medical insurance in addition to Government’s commitments to increase health care spending to ensure the sustainable development of our health care system.
- Working out a sustainable long-term funding arrangement for the Hospital Authority (HA) to ensure the continual provision of quality public health care services.
- Further expanding the HA’s “Electronic Patient Record Sharing Pilot Project” to allow more private hospitals, practitioners, residential care homes for the elderly and other relevant institutions

to view their patients' medical records kept at HA upon the patients' consent with a view to promoting sharing of patients' records.

- Enhancing primary medical care for the public through the introduction of family medicine in public general out-patient clinics and the promotion of the family-doctor concept in the community.
- Preparing for the establishment of five more public Chinese Medicine clinics before early 2009.
- Enhancing community mental health support and outreach to raise general awareness of mental health and to promote early intervention of mental health problems.
- Launching a Central Organ Donation Register (a centralised and computerised database for voluntary registration by organ donors of their wish to donate organs after death) and promoting registration for organ donation among the public through collaboration with relevant organisations.
- Conducting a regulatory impact assessment on the statutory framework in respect of regulating medical devices and consulting stakeholders in the process.
- Exploring the establishment of multi-partite medical centres of excellence in paediatrics and neuroscience, which would raise professional standards and enhance patient care through cross-fertilisation of expertise, enhanced research and training.

Chapter 5

Developing Democracy And Enhancing Governance

Preamble

Hong Kong people from different sectors and strata have different aspirations for democratic development. Taking forward the HKSAR's constitutional development towards the ultimate aim of attaining universal suffrage in accordance with the Basic Law is a most important constitutional responsibility for the Chief Executive. The Chief Executive will strive to forge consensus among different sectors and strata of society on the models, roadmap and timetable for implementing universal suffrage in a pragmatic manner. After the close of public consultation on the Green Paper on Constitutional Development, we will summarise the views received from the community and assess whether differences of opinion have narrowed sufficiently to provide a basis for consensus on implementation of universal suffrage to be formed.

Aside from pursuing the development of democracy, we also need to undertake related reforms to enhance governance and efficiency of policy-making and governance. In respect of district administration, we will strengthen the roles of the District Councils (DCs) and District Officers. We will also expand the Political Appointment System, and

strengthen the promotion of the Basic Law and national education. In respect of governance style, government officials will continue to uphold the principle of people-based governance and reach out to the community more proactively to strengthen their interactions and communications with the public, so as to bring our policy-making more in line with public opinion.

New Initiatives

We will:

- Strengthen our relationship with the relevant Mainland authorities so that HKSAR can take early action in complementing the preparation of the National 12th Five-Year Plan under the principle of “One Country, Two Systems”. This will help ensure that we can make necessary preparations to realise Hong Kong’s development potentials. This will also facilitate our timely and effective contribution to the Mainland’s social and economic development during the 12th Five-Year Plan period.
- Implement further development of the Political Appointment System.
- Work closely with the Electoral Affairs Commission to make practical arrangements to ensure that the 2007 DC election, the 2007 Legislative Council Hong Kong Island geographical constituency by-election and the 2008 Legislative Council election will be conducted in a fair, open and honest manner in accordance with the relevant legislation.
- Strengthen the role of the DCs and involve the DCs in the management of designated district facilities in all 18 districts starting from January 2008.
- Issue a Civil Service Code, setting out the framework within which civil servants are expected to work with political appointees under an expanded Political Appointment system.

- Implement an action plan which will ensure that the Basic Law forms an integral part of training for civil servants, and is provided in a systematic and planned manner which takes into account the needs of civil servants of different levels and work nature.
- Invite the relevant advisory bodies on civil service salaries and conditions of service to conduct grade structure reviews for the directorate grades, the disciplined services, and selected civilian grades facing recruitment and retention difficulties.
- Under the Be the Smart Regulator Programme, set up on-line licence tracking facility for food licences. Subject to experience, we will consider developing similar facilities for other licences. We will develop an on-line platform for processing liquor licences end-to-end. We will also further engage the business sectors by providing a portal for consultation on new regulations, administrative measures and procedures proposed by Government that would impact business.
- Launch a pilot scheme in the Lands Department to expedite the processing of lease modification and land exchange applications through the setting up of a dedicated team.
- Facilitate the operation of the food business by introducing a composite licence/permit scheme for the manufacture and sale of various types of ready-to-eat food items.

On-going Initiatives

We are:

- Continuing to take forward constitutional development towards the ultimate aim of universal suffrage. After the close of the public consultation on the Green Paper on Constitutional Development, we will summarise the public views received. We will use this as the basis to take forward the next phase of work.
- 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 strengthen regional co-operation between the Mainland and Hong Kong through our co-operation frameworks with the Pan-Pearl River Delta Region; the Guangdong Province; and the Municipalities of Beijing, Shanghai and Shenzhen.
- Reviewing and improving arrangements for rural elections, in the light of experience gained in 2003 and 2007, and working on the way forward for the next cycle of elections in 2011.
- Organizing an annual Chief Executive’s Summit on District Administration Scheme to enhance communication between DCs and the Administration.
- 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.
- Enhancing 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.
- Joining hands with all sectors in the community to organise and stage the 2008 Olympic and Paralympic Equestrian Events and make the Events a resounding success to bring pride to our home and our nation. Promoting the Olympic spirit and working in partnership with different sectors to create a positive Olympic legacy to Hong Kong through cultural, educational and community involvement programmes.
- Working with the Commission on Youth, the Committee on Promotion of Civic Education and the youth uniformed groups to provide young people with appropriate non-formal education and training, 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 control the size of the civil service by providing the necessary management tools to assist bureaux and departments to make more effective use of manpower resources and enhance efficiency, while at the same time giving due consideration of the need for additional manpower resources for delivering new and improved services.

- Continuing to provide civil servants with training and development opportunities. We shall also continue to enhance the variety and content of the training materials on our e-learning portal, and promote wider use of e-learning, as part of our endeavours to fortify a culture of continuous learning in the civil service.
- Continuing to maintain and enhance morale of the civil service, and encourage fuller use of various commendation schemes to recognise and motivate exemplary performance.
- Continuing to maintain a vigorous, effective and efficient disciplinary system against misconduct in the civil service. Continuing to monitor closely implementation of the streamlined procedures for removing under-performers while sustaining efforts to further improve efficiency and productivity in the civil service.
- Continuing with the development of an effective arrangement for implementing both upward and downward pay adjustments in future, as part and parcel of the improved civil service pay adjustment mechanism.
- Enriching the new government portal, GovHK, taking into account feedback from users. The portal has been officially launched since August 2007 to serve as the one-stop shop for online government information and services.
- Continuing to develop new features and applications for the Youth Portal which has been launched since August 2007 to serve as a single window for local youth aged 15 to 24 to conveniently access information and services provided by the Government and other government-funded organisations.

- Formulating measures to streamline food business licensing.
- Ensuring that the Architectural Services Department can achieve the target of outsourcing to 87% of the delivery of new projects in 2007-08 under its re-engineering programme.
- Reviewing the small house policy with a view to formulating preliminary proposals for more in-depth discussion and continuing with the implementation of a set of streamlined procedures to expedite the processing of small house applications.
- Furthering the standards of advocacy and preparation in criminal cases through the provision of comprehensive training arrangements for prosecutors.
- Enhancing the quality of criminal justice by promoting transparency in public prosecutions, liaising closely with justice partners (including the Police, the Independent Commission Against Corruption and the departmental prosecutors) and reviewing the disclosure arrangements of law enforcement agencies.
- Promoting co-operation amongst prosecutors at the global level by actively participating in the work of the International Association of Prosecutors.
- Continuing to enhance the law drafting skill of law draftsmen through an in-house mentorship programme and enrich their drafting experience by organising training programmes.
- Continuing the Bilingual Law Information System with enhanced features to provide easy access to our bilingual laws of Hong Kong and improving the standard of government lawyers in respect of bilingualism in law.

- Seeking the enactment of the Domicile Bill to implement the recommendations in the Law Reform Commission's Report on the Rules for Determining Domicile.
- Reviewing the provisions of the Control of Obscene and Indecent Articles Ordinance.
- Putting into effect, through legislation and other means, the recommendations of the Financial Action Task Force on Money Laundering to further enhance our anti-money laundering and counter-terrorist financing regime.
- Continuing to ensure that our legislative regime for combating terrorism is current and meets the need of changing circumstances.
- Continuing to seek long-term solutions to address the problems of overcrowding and outdated facilities in our penal institutions.
- Providing a legal basis for the existing police complaints system by making the Independent Police Complaints Council a statutory body.
- 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.