

Manifesto for  
the Chief Executive Election 2012



ONE HEART, ONE VISION

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ONE HEART, ONE VISION



The experience in the past few months, standing as a candidate in the Chief Executive Election 2012, has provided me with a much deeper understanding of the expectations of different sectors in our society. And, at the same time, it has strengthened my resolve to serve the community as a whole.

During this period, my campaign team and I have visited all 18 districts, held consultative gatherings ~ "Together we write the Manifesto" ~ and met with people from all walks of life at close quarters. We listened to the views expressed by ordinary people, who make up the majority of the population, and we talked to business people, both big corporations and local traders alike. We attended numerous other activities, met with Members of the Election Committee and answered their queries.

Every step of the way, we were accompanied by the media, reporting and helping us to spread our messages to those who were not able to come to the gatherings. We were mindful that every proposal which we put forward would be examined and every promise which we made would be remembered, and we fully expected that we would be held accountable.

As I have repeatedly said during my campaign, I face not just Members of the Election Committee but the seven million citizens of Hong Kong. I hold myself accountable to them, each and every one. I have placed before my fellow citizens my vision for Hong Kong (not just as a place but a home to us all), explained my beliefs and set forth my Policy Platforms.

I believe in elections, and I believe in the power of people. I believe in the synergy that comes from unifying different sectors of the community and the many different trades and businesses, which in their totality make up our society.

Taking part in this election has been a humbling experience. It allows me to realize my own inadequacies, helps me to appreciate the collective wisdom of society, and, what is more, makes me understand the importance of accepting monitoring by the media and the general public.

In my declaration to stand for election made on 27 November 2011, I emphasized: *"Continued economic development is the foundation of Hong Kong's prosperity, on which the livelihood of our citizens depends. There is no need for major reversal of policy. We only need an appropriately proactive government which seeks changes whilst maintaining overall stability."*

The business and financial sectors are the driving force behind Hong Kong's economic development. It is evident that they have made significant contributions. To promote sustained and robust economic development, the Government must assist investors, big or small, as well as small and medium-sized enterprises, to grasp the opportunities presented by our national and global economic growth and the ensuing openings that would lead to further advancement.

I firmly subscribe to integrity, the rule of law, a clean government and democracy as our core values and the foundation of our prosperity and stability. I shall do my utmost to safeguard the rights of every citizen and ensure that those rights are fully respected.

Our community faces many challenges. We need to be united in our stance and face up to difficulties with fortitude and determination, and respond to differences with an inclusive attitude. I believe that we can resolve the conflicts that exist within our society and the diversities brought about by different values or political stance. We need to listen, to be inclusive and be patient in seeking a consensus.

The upcoming Chief Executive Election is pivotal to the future development of Hong Kong. If I am elected, I solemnly promise that I shall uphold the rule of law, enhance the standard of governance and promote democracy. I shall take steps to expand our economy to enable businesses to thrive and people's livelihood to improve. I shall also protect our environment and conserve our heritage to make Hong Kong the place we want it to be. Together we shall build a more prosperous, just and progressive Hong Kong that we call home.

So that we may move forward with "*One Heart*" and "*One Vision*", I humbly seek the support of Members of the Election Committee and of all my fellow citizens.



March 2012







## My Pledge on Population and Human Resources

### Background

The most valuable resource of any place (be it a country, or, in this case, the HKSAR) is its people. How that people is made up, in terms of age groups, education level, employment, income distribution and so on, directly affects the economic and social conditions of that place. If these imperatives are properly understood, one would readily appreciate the importance of having in place a population policy, which is reviewed in a timely manner to take account of changes in social conditions, whether generated from within or stemmed from external sources.

From that perspective, it is submitted that having in place a well thought out population policy is essential, if not, indispensable, for any government to be able to formulate meaningful and purposive policies that would provide effective solutions to the myriad of challenges faced by any society.

The guiding concept of a population policy is to prioritize the interests of the local community with the need to import foreign labour and expertise to ensure continued development in various aspects of society. This requires the formulation of an immigration policy which, whilst acknowledging certain basic rights such as family reunion, reserves unto the government the authority to screen and approve newcomers to our shores and within such timeframe as is consistent with the needs and circumstances of our community.

Properly implemented, and supported by an effective immigration policy, the population policy would enhance Hong Kong's competitive edge, ensure balanced development of our society and promote a more harmonized communal environment within our community.

### Have we kept ourselves informed ?

According to the 2011 census, Hong Kong had a total population of 7,071,576 people last year. It represents an increase of 300,000 from that in 2001, the slowest growth in total population in a decade since the end of World War II.

As the birth rate had remained very low in the past decade, Hong Kong's population structure now shows characteristics as being laden with people aged between 20 and 59. There is a total of 4.3 million people (61.5% of total population) aged between 20 and 59. Such population structure is beneficial to economic production in the short term.

In the next 30 years, however, Hong Kong's population will age rapidly. Economic development could be adversely affected if the projection that the size of the labour force would continue to decline as from 2014 is realized.

The proportion of Hong Kong's population aged 15 or above who has received tertiary education or above remains at a low level of 23.5%. This is not favourable to Hong Kong's development as a knowledge based economy.

The labour force in Hong Kong hit a record high of 3.77 million in November 2011. However, job vacancies also registered a record high of 58,000, indicating a tight supply of labour.

Since May 2011, Hong Kong has enacted legislation to enforce minimum wage which is set at \$28 per hour at present.

Babies born to non-local parents surged from about 19,000 in 2007 to 33,000 in 2010, imposing a burden on obstetric services in Hong Kong and, as a consequence, adversely affecting the access by local pregnant women to such services. Born in Hong Kong, these babies are permanent residents with a right of abode in the SAR. It is unclear how many will stay in Hong Kong, or, if they leave after birth, when they will return to claim their right of abode, thus creating immense uncertainties in the planning of education, housing and healthcare services in the years to come, not to mention the effect that would have on the quality of such services.

There is a suggestion that the influx of such children may assist in addressing the problem of an aging population. I believe that such an approach is misconceived. The problems that we, as a community, have to face are more imminent than what such an approach could offer.

In recent years, we have also seen more and more Hong Kong people settling on the Mainland for work or retirement. Again, the government has very little information on or contact with them, and very little support is, if any, provided.

## My Policy Platform

### Formulation of a population policy

1. We will direct the Steering Committee on Population Policy to account for and report on its work within a stated timeframe, together with short, medium and long-term goals, policies and implementation measures.

### "Family Friendly" measures

2. Sustainable development depends to a large extent on the availability of manpower. It follows, therefore, that there is a need to replenish our working (and aging) population with new births by local mothers. Recognizing that this may give rise to additional financial burden on families, we will increase the tax allowance for the first child from \$60,000 to \$80,000, and for the second child and thereafter to \$100,000 per annum.

3. Recognizing that both parents share equal responsibilities in bringing up a family, we will introduce paternity leave for fathers and in the process consult with affected trades and industries.
4. Education is probably one of the most important matters which parents have to deal with in the course of bringing up a family. We will improve our education system, including early childhood education and child care services<sup>1</sup>.

### Forward Planning for children born to non-local parents

5. We will conduct an overall assessment of the additional demand for various public services arising from children born to non-local parents, as well as Hong Kong's capacity to cope with the demand, as the basis for developing a long-term policy. Before the impact is fully grasped, we will defer setting a quota for non-local pregnant women in private hospitals for 2013 onwards.
6. Similarly, until assessment is duly made of the situation and the findings analyzed, we will ensure that public hospitals will cease admission of non-local pregnant women from 2013.
7. We will cooperate with the relevant authorities on the Mainland to address the problem of pregnant women who, without a "Certificate on Confirmed Antenatal and Delivery Booking", gate-crash the accident and emergency units of public hospitals demanding imminent birth delivery services. Consideration will also be given to imposing penalty for such conduct, including a restriction on re-entry to Hong Kong.

### Ageing Population

8. To address various issues arising from our ageing population, we will develop new policies and measures to make improvements in service areas, such as retirement protection, elderly housing, medical and long-term care<sup>2</sup>.

### Strengthen Local Talent

9. To improve the quality of our human capital, we will increase, as appropriate, investment in education and raise the overall education level of our local talent. We will foster cooperation between our universities and prestigious universities on the Mainland and overseas to launch joint professional colleges. To enhance societal recognition of specialist and vocational training, a rational qualification framework should be put in place.
10. The Youth Pre-Employment Training Programme of the Labour Department will be further strengthened to increase opportunities for on-the-job training. We will assist young people to develop their career commensurate with their ability and interest, and make them more competitive in the job market.

<sup>1</sup> See policies on Education and Social Welfare

<sup>2</sup> See policies on Medical and Health Services and Social Welfare

11. We will encourage on-the-job training and continued education so as to foster social mobility. The coverage of the Continuing Education Fund will be enlarged with subsidies to be offered every five years, especially to cater to the needs of people with low level of education, skills or income.
12. To create an environment conducive to their development, our young people will be offered more choices and opportunities in education, training and employment.

#### **Employee Benefits**

13. We will establish a special taskforce comprising of employees, employers and representative of the Commissioner for Labour to undertake a study on improving protection for workers in high-risk occupations in relation to insurance, compensation for work injuries, therapy and rehabilitation.
14. We will assess the effectiveness of the minimum wage scheme, and review the level of minimum wage by reference to changing economic and social conditions.
15. A special committee comprising of government officials, representatives of labour unions and employers' associations, academics and community leaders will be set up to follow up on the study on standard working hours conducted by the current administration. This committee will examine issues relating to employees' overtime work conditions and arrangements as well as legislative proposals on standard working hours.
16. We will adopt measures to progressively reduce the proportion of accrued benefits attributed to employer's contribution in the MPF account that can be applied by the employer to offset long-service or severance payments.

#### **Ethnic minorities – We are all in the same community**

17. Ethnic minorities in our midst will continue to grow and it is incumbent upon us to ensure that they also share in our prosperity. They are very much a part of the community. In many cases, they reflect the contributions which their forefathers made to Hong Kong in earlier years, and share the same sense of affiliation to our society as the rest of Hong Kong people. We will review existing policies to reduce estrangement and help ethnic minorities, especially the younger generation, integrate into the local community.

#### **Supporting New Arrivals on one-way permits from the Mainland**

18. New arrivals from the Mainland contribute to our economic and social development in the same way as any other groupings. Before long, new arrivals cease to be "new" and it is incumbent upon us as a community to assist in their integration. We will cooperate with non-profit-making organizations and volunteers to provide more systematic follow-up services for one-way permit holders newly arriving from the Mainland to understand their needs, help solve their problems and facilitate their integration into the local community.

19. To facilitate family reunion, we will set up joint working groups with relevant Mainland authorities to examine cases involving single mothers on the Mainland seeking to join their children in Hong Kong.

#### **Attracting professionals, talents and investors**

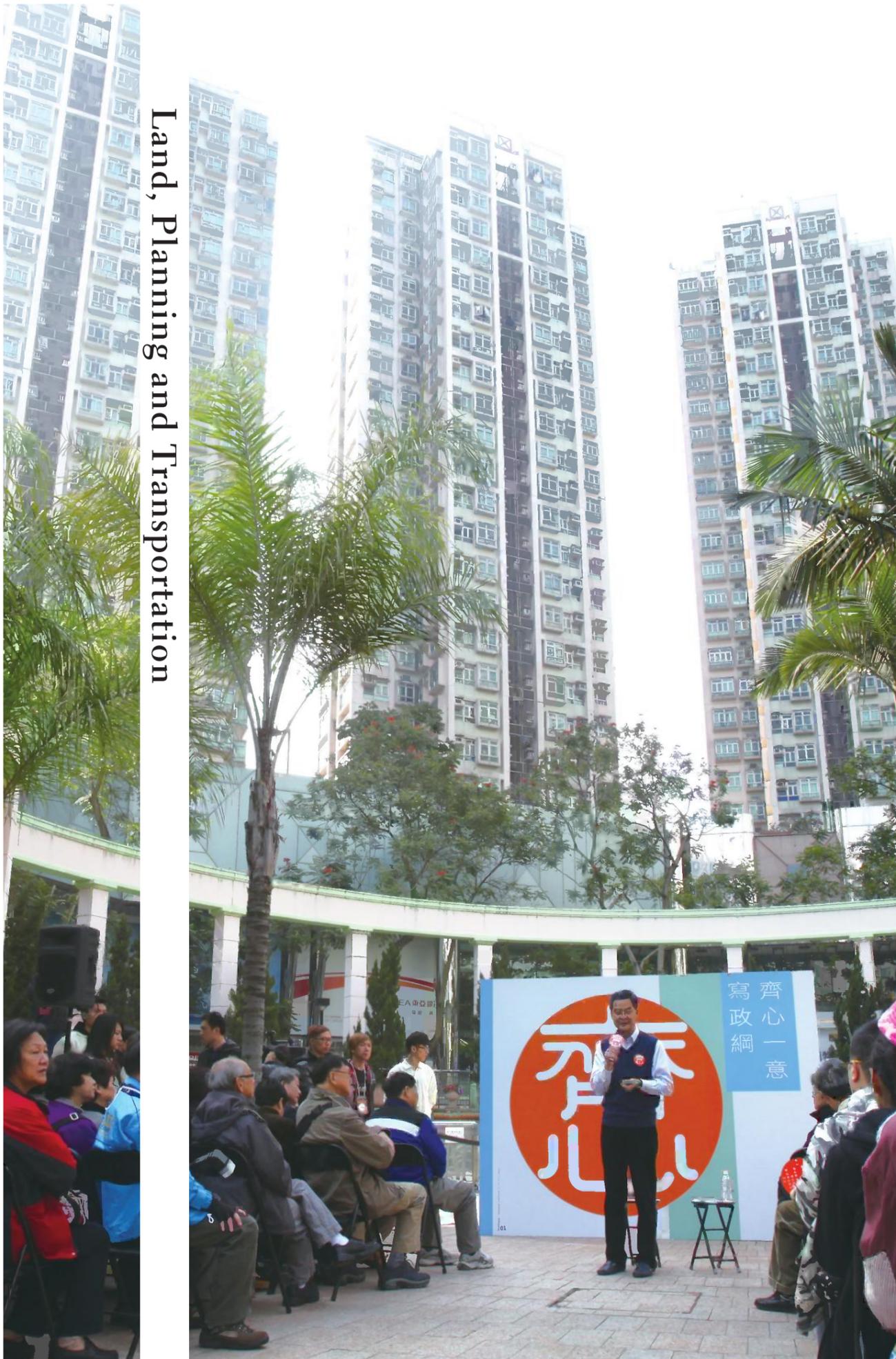
20. To maintain our status as an international city, we need to have in place measures which are able to attract professionals, talents and investors from abroad and elsewhere. We will improve the capital investment immigration policies to support economic and industrial development and create employment opportunities for the local labour market.
21. Just as we provide education for children of local families, we need to ensure that education of children of non-local families is not overlooked. We will undertake a comprehensive study of the education needs of the children of non-local persons working in Hong Kong.
22. To attract talents from abroad, we will undertake promotional activities on the Mainland and overseas, highlighting Hong Kong's appeal as an international metropolis with our developed social infrastructure and dynamic economic environment.

#### **Settling on the Mainland – Their needs, our concerns**

23. We will collect information on Hong Kong people studying, working or retiring long-term on the Mainland and provide them with support as appropriate.
24. More specifically, we will consider the provision of support services, such as healthcare and medical services, for elderly persons who choose to retire on the Mainland.
25. We will also consider establishing schools on the Mainland which will offer Hong Kong curriculum to cater for the children of Hong Kong people working on the Mainland.

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I am firmly of the belief that the need for a comprehensive population policy cannot be over-emphasized. Indeed, it is long overdue and work must begin before our economic and social conditions begin to show signs of stress, and, more importantly, to ensure that our standard of living and development opportunities will continue to improve and our prosperity maintained.



## My Pledge on Land Planning and Transportation

### Background

Availability of land and how it is put to effective use underpin all social and economic activities. A shortage of land hinders plans to provide housing for the community and renders it difficult to move forward with development plans, whether in sustaining traditional trades or developing the six priority industries or in building community facilities.

Hong Kong is not short of land; what we lack is a holistic and long-term approach towards planning. For a very long time, perhaps too long, our urban areas have been over-crowded; property prices and rentals have continued to climb new heights, and together they have affected the quality of life for the average citizen and the competitiveness of Hong Kong as a place to do business. It has become clear that timely provision of land resources of an appropriate scale is critical to the sustainable development of Hong Kong.

In recent years, significant and rapid changes have taken place in economies around Hong Kong. We face stiff and substantive competition. Competition by itself is healthy; it brings progress. But at the same time, it calls for a re-think of our developmental approach, including undertaking more strategic and long-range planning in land use. We must break out of a silo mentality and consider Hong Kong's future role and standing in the Pearl River Delta economy and how we can leverage that advantage in our international trade relationships.

One of the primary uses of land is to support the construction of roads and other transportation facilities. They are essential to economic development because economic activities cannot take place on bare or inaccessible land. Efficient and well-planned road and transportation networks, linking centres of economic activities together to make up the economic chain, will allow an economy to flourish, enhance efficiency and make possible the orderly development of a community.

### Where we are now

- ❑ The per capita living space in Hong Kong is low with half of the private dwelling units being smaller than 500 square feet.
- ❑ Hong Kong's land utilization rate is also very low. At present, only 6.9% of total land mass is used for residential purpose (public and private housing added together), 0.4% for commercial, 2.3 % for industrial, and 6.1 % for agricultural usage. Excluding the urban area and country parks, large areas remain undeveloped.

- ❑ Developing new land, changing land use and redeveloping old buildings involve onerous processes which fail to respond to developmental needs in a timely manner. The West Kowloon reclamation and former Kai Tak Airport site, for example, have been left idle for a very long period of time.
- ❑ Since 2003, the government has replaced regular auctions with land sale by application, thus handing over the land supply initiative to private developers, who, understandably, would have their own timetable based on commercial considerations. As a result, land supply fell short of demand, leading to a shortfall in housing, office buildings, hotels and shops, forcing up prices and rentals, and causing some enterprises to move their business out of Hong Kong.
- ❑ After many years of construction and substantial investment, Hong Kong now possesses a first-world public transportation system. This system has as its backbone an elaborate system of railways, consisting of tracks above and below ground, and provides an efficient, reliable and affordable transport facility for the community. This is further supplemented by other forms of transport such as buses, trams, taxis and public light buses, all of which together provide the community with a full menu of choices to suit different needs and financial means.

## What I believe the Government should do

- The government should assess the long-term demand for land to assure a flexible supply to meet developmental needs, thereby enhancing the competitiveness of Hong Kong as a commercial hub regionally and globally, increasing the per capita living and working space and improving the quality of life.
- To achieve better and more efficient use of land resources, the government should streamline the process for change of land use to meet future needs arising from economic re-structuring, population changes and development of new industries.
- Our network of railways should be extended in coordination with other forms of transport and in a manner which balances the interests of different operators.

## My Policy Platform

### (A) Land Planning

#### Changing mindset and practices

1. We must abandon the silo mentality and short-term (to some, short-sighted) practices. We need to look beyond the Shenzhen River and position Hong Kong in the Pearl River Delta with due regard to our present and future developmental directions. We should also take full advantage of available land in the New Territories and develop the boundary area into a prosperous economy.

2. We still have large areas of undeveloped land in the New Territories. We will plan and develop new towns for green living, create local employment to achieve balanced development, and relieve the burden on urban areas.
3. We will protect our country parks and bodies of land and water with ecological value, and formulate long-term plans for other areas of land available for development.
4. We can make green living the order of the day, if we, as a community, are willing to put our hearts and minds into it. We will blend ecological conservation, greenbelts, villages and agricultural land into a unique and lively rural development model. This will also allow us to promote green tourism for modern city dwellers.
5. We will increase the transparency of land supply, and simplify the procedure for change of land use and development. We will introduce an arbitration system to resolve differences over land premium and handle development projects from a more macro perspective of promoting Hong Kong's overall economic development, creating employment and improving people's livelihood.

#### Setting up a permanent mechanism

6. We will set up a strategic development committee, led by a senior secretary, to examine, promote and coordinate land development strategies in line with the population and industry policies. We will also formulate land supply plans for the long-, medium- and short-term, together with a timeline and coordinate the work of relevant departments and monitor progress.
7. We will explore the feasibility of setting up a new executive mechanism to coordinate and expedite the development of new towns and the closed border area, including land acquisition and consolidation, land planning and development, and public-private partnership with involvement of land owners.
8. We will set up a land reserve to facilitate timely response to changes in market demand for land.
9. We will complement the supply of land with a flexible combination of sales by application, open tender and public auction.

#### Short-term usable land (2-3 years)

10. We will identify land with supporting infrastructure that are ready for development, such as vacant government sites, rural land and industrial areas. We will also expedite change of land use to meet social needs, e.g. redevelop old government offices and quarters, vacant schools, and make use of vacant government/institution/community sites and land with short-term tenancies when the leases expire.

11. We will study the introduction of a *"Hong Kong property for Hong Kong residents"* policy to assist those home buyers whose income exceed the limits prescribed by the Home Ownership Scheme. Under the proposed policy, new sites<sup>1</sup> will be selected which are suitable for middle-class housing and in the relevant land lease a restriction will be included to the effect that the completed housing units can only be sold to Hong Kong residents<sup>2</sup>.

#### **Land supply in newly developed zones (3-8 years)**

12. We will explore other sources of land, for example, abandoned quarries (160ha) and the remainder of land in Tung Chung which has not been developed (250ha), etc.
13. We will set up project teams comprising relevant departments to expedite the development of new areas, including Kwu Tung North, Fan Ling North, Ping Che/Ta Kwu Ling, Kai Tak development area and Hung Shui Kiu development area.
14. We will build a new town in New Territories North to include residential and business sites, office buildings to suit modern enterprises, and business travel services to create employment for local residents.

#### **Long-term land supply (8 years later)**

15. The restricted boundary area of 28 square kilometers (almost the size of Macao SAR) has strategic significance in serving as the link between Hong Kong and Shenzhen, and economic integration with the Pearl River Delta which is going through rapid economic growth. We will take advantage of the benefits from *"One Country, Two Systems"* and turn the boundary area into a diverse economic zone with unique features that accommodate the demand for both economic development and conservation.
16. We will restart the reclamation plans for which feasibility studies have been completed, e.g. northern Lantau, Sham Tseng/Tsuen Wan and actively explore the feasibility of other reclamation areas outside the Victoria Harbour.

In short, we will make full use of our land resources, not just for economic gains but also to enhance the quality of living for all our citizens.

<sup>1</sup> The proposal only focuses on new land supply and does not include redevelopment sites.

<sup>2</sup> Hong Kong residents include non-permanent residents, i.e. those who have not yet lived in HK for 7 years.

## **(B) Transportation Arrangement**

### **Changing mindset and practices**

17. We will accelerate the pace of implementation of all transport items of the ten major infrastructure projects.
18. We will co-ordinate the operational service models between different forms of public transport, including railways, buses, trams, estate buses, public light buses and taxis, and will also provide assistance to the industry in resolving issues such as the shortage of labour and escalating fuel prices.
19. To improve mobility of the elderly and reduce the reliance on transport facilities (where the distance does not justify such usage) and generally for the convenience of our citizens, we will connect public transport interchanges and terminals to the network of pedestrian walkways, escalators and flyovers.
20. We will set in motion the outstanding projects in the Railway Development Strategy 2000, such as the New Territories North railway loop. We will also commence a new round of study on the long term railway development strategy in providing railway services to link up New Territories East with New Territories West and Kowloon East with Kowloon West.
21. We will conduct a study on improving the traffic flow of the three cross-harbour tunnels with a view to relieving their respective traffic congestion.
22. We will operate the Hong Kong to Guangzhou Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) in line with the operational model of the Pearl River Delta intercity railway. We will also conduct a feasibility study on the implementation and operational model of an arrangement to co-locate immigration and customs facilities for both the Mainland and the SAR at the Hong Kong Station of XRL.
23. To facilitate traffic between Guangdong and Hong Kong, we will progressively increase the number of 24-hour boundary crossings control points, including the Shenzhen Bay Control Point.
24. We will take steps to popularize the use of hybrid and electric cars, build more charging stations and provide subsidy to assist in the research and development of environmentally friendly and energy saving vehicles.



## My Pledge on Economic Policy

### Guiding Thoughts

The success or effectiveness of an economic policy may be measured by whether it is able to:

- Develop the economy, in terms of its size and depth;
- Encourage industries to expand and thrive;
- Create more employment opportunities; and
- Bring about a fairer sharing of the resultant prosperity.

A balanced and well thought-out economic policy will sharpen Hong Kong's competitive edge in all our trading relationships, achieve sustainable growth and bring prosperity and a higher standard of living to all our citizens.

Hong Kong has one of the freest economies in the world with a business friendly environment which can be further enhanced by the government taking a more active and positive role. While respecting the functions of a market economy, the government should act as the market facilitator to bring about improvement in our economic and job market structure.

Economic diversification and thriving industries can improve our job market structure and provide better opportunities and upward mobility to our workers. As well, a diversified economy will give rise to a stronger middle class and better employment opportunities for our grass roots.

One of our core values (probably the most important) is reflected in our steadfast adherence to the rule of law. Following on from that, Hong Kong has a fine tradition in rule-by-law, offering (amongst others) protection to intellectual property rights and ensuring the freedom of information is safeguarded.

These protections are essential to the development of technology-based industries in the network economy. These industries with their high technology contents and high product value are able to create quality employment opportunities in advanced research and development. At the same time, the development of these industries will enhance the competitiveness and growth of Hong Kong's other industries.

Industrial production is the application of technologies and innovations, and technology development helps to upgrade our industries. Industries that lack technology and innovations are not sustainable in the long run, nor can technology innovations take place in isolation from industrial production. Put simply, growth relies on production which depends on innovation and development.

The strong demand for Hong Kong services by the Mainland, coupled with the eastward migration of the world economic hub, means that Hong Kong must take positive steps to expand its economic capacities, whilst maintaining vigilance on the possible impact on the SME's and entrepreneurs arising from high operating costs.

Human capital is the most valuable resource which Hong Kong possesses. The abundance and quality of human capital enable innovation to take place, production to be maintained and growth to be assured. To maintain sustainability, economic development must be supported by robust Human Resources Policies. (Please refer to Policy on Population and Human Resources for more details.)

## Background – where we are now

The per capita real Gross Domestic Product (GDP) of Hong Kong rose by 33.5% from 1997 to 2009; however, Hong Kong still faces several major issues and challenges:

- A. The overall performance of economic growth is slower than the surrounding areas, albeit from a higher starting point. We face the risk of being left behind.
- Singapore's real GDP has seen a 6.60% annual average growth in the past 20 years, higher than Hong Kong's 3.95%. The overall GDP of Hong Kong was surpassed by Singapore in 2010.
  - The size of the Hong Kong economy is rapidly being surpassed by a number of Mainland cities. It is expected that by 2015 its size will drop to No. 7 in China, after Shanghai, Beijing, Guangzhou, Shenzhen, Suzhou and Tianjin. The per capita GDP of Hong Kong will also be surpassed by these cities within 10 to 15 years.
  - Set against mature economies such as the USA, Hong Kong's economic growth over the past decade or so does not compare well. In 1997 the size of the Hong Kong economy was 2.1% of that of the USA. In 2010 it was only 1.5%.
- B. The structure of the economy is not conducive to improvement in the job market
- Following northward migration by our manufacturers, the economic structure of Hong Kong has acquired binary features led by the service sector. The financial and professional services have benefited more from economic development on the Mainland, but they have created only limited number of job opportunities locally. At the same time, local consumer services that employ a large number of low and medium-skilled employees, employees' earnings have only risen slowly. The community as a whole has seen less upward mobility.
  - The problem of Hong Kong industries lacking diversification has yet to be addressed properly. High land prices and rents have pushed up costs and reduced job opportunities, as well as restrained industrial investment and dampen the motivation to start one's own business.

C. Uneven distribution of returns from economic development

- It has been a trend worldwide that the growth of income from property is faster than that from wages over the past 20 years. Given that Hong Kong's economic structure is biased towards the financial and property sectors, this trend is particularly evident.
- The per capita real GDP of Hong Kong rose by 33.5% from 1997 to 2009. However, during the same period, the income of the group having the highest 10% per capita household income increased by 64.7%, while the income of the group having the lowest 10% per capita household income dropped by 22.2%. It would seem that there are many in our midst who have not benefitted from our economic growth. As a result, community groups see bigger and bigger disparities between their interests.

D. Adverse changes in the business environment affecting small and medium-sized enterprises (SMEs)

- The supply of industrial and commercial premises cannot catch up with the needs of economic restructuring and upgrading, resulting in higher rental and operating costs for SMEs.
- Faced with intense competition from surrounding areas in terms of talent, taxation, efficiency as well as software and hardware facilities, the advantages from our simple, low tax system and facilities are being eroded.

E. Co-operation with the Mainland has yet to bear fruit

- Although coverage under the CEPA arrangement is extensive, and new areas of business are being introduced in the annual supplementary agreements, beneficial effect from implementation is not evident.
- As Mainland industries mature through restructuring and upgrades, coupled with rising operating costs, many Hong Kong enterprises on the Mainland are faced with a difficult operating environment.
- New areas of our economic growth are closely related to the development strategy and planning on the Mainland. But Hong Kong does not have an established system to bring together government officials and representatives from the industries, research and academic sectors to map out a strategy to align with the Mainland's development under national planning.

## Challenges – what needs to be done and soon

- (1) We need to enhance Hong Kong's economic competitiveness both within China and globally to ensure Hong Kong's continued economic prosperity, advancement and better quality of life for the citizens of Hong Kong.
- (2) Capitalizing on the opportunities rendered by the rapid economic developments on the Mainland, we must keep abreast of the overall national planning, Guangdong and Shenzhen, and the implementation of all signed economic and trade agreements with counterparts in the Mainland, to capture potential growth in business and employment opportunities for Hong Kong.
- (3) We need to formulate comprehensive policies to promote and support the pillar industries that are important to our economic development. The scope should include Hong Kong enterprises operating outside Hong Kong and new industries with potentials in bringing in new employments.
- (4) It is evident that many of our manufacturers have moved their production plants inland. Fortunately, some of those with R&D capabilities have chosen to stay in Hong Kong because of our established legal infrastructure and innovative environment. The government should help linking up the industry supply chains by bridging and minimizing the system disparities between Hong Kong and the Mainland.
- (5) We need to continuously support the transformation and upgrade of Hong Kong's companies doing business in the Mainland through monitoring of their economic contribution to our overall economy.

## My Policy Platform

### Coordinating long-term development strategy and formulating industry policy

1. We will establish an inter-departmental agency on economic development led by the Chief Executive to co-ordinate development strategy with a broad coverage, taking into consideration all relevant aspects including land, investment capital, taxation, nurturing of talents and expertise as well as bringing together government officials and representatives from industries, research and academic sectors, with the aim of drawing up an overall economic development strategy and industry policy.
2. Consideration will be given to set up a strategic investment agency which will undertake initial investment in emerging industries conducive to the long-term development of Hong Kong and motivate participation by the private sector.

### Building a new system of co-operation with the Mainland

3. We will step up assistance to industries to access the Mainland market, resolving the problem of "Big door opened ~ Small door closed". For industries that experience more barriers, we will propose the setting up of a joint working group in Beijing or Guangdong with the Ministry of Commerce, the National Development and Reform Commission, municipal governments and other authorities for relevant industries to provide one-stop service via a dedicated service agency for each industry to resolve difficulties encountered by Hong Kong enterprises and to formulate a clear procedure for entry into the Mainland market.
4. We will review and strengthen the functions of the representative offices of the SAR Government on the Mainland and increase the manpower deployed from relevant Bureaux to provide assistance to Hong Kong people and Hong Kong enterprises to develop their careers and businesses on the Mainland.
5. It is evident that Mainland enterprises are playing an increasingly importance role in Hong Kong's economic development. Their contribution should be duly recognized and we will support Mainland enterprises joining consultative organizations relevant to their businesses.
6. Hong Kong's retail trades have benefitted much from Mainland visitors to our city. We will request the Central Government to extend the "Multiple Entries per Year" arrangement currently available to Shenzhen residents under the Individual Visit Scheme to cover other cities in the Pearl River Delta. We will enhance clearance efficiency at our border checkpoints to facilitate Pearl River Delta residents progressively changing the nature of their visit from occasional tourism to frequent visits for daily consumption spending, which will have the added effect of increasing employment opportunities in Hong Kong.
7. To facilitate more efficient travels between Hong Kong and our neighbouring cities, we will operate the Hong Kong to Guangzhou Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) in line with the operational model of the Pearl River Delta intercity railway. We will also conduct a feasibility study on the implementation and operational model of an arrangement to co-locate immigration and customs facilities for both the Mainland and the SAR at the Hong Kong Station of XRL. And, we will progressively increase the number of 24-hour control points, including the Shenzhen Bay Control Point.
8. We will consult with the Mainland authorities on the establishment of schools for the children of Hong Kong people working on the Mainland.

### **Consolidating and raising the status of Hong Kong as an international financial centre**

9. It is clear that our financial industry plays a vital role in Hong Kong's economic development. We will set up a Financial Development Council comprising of representatives from the government and the industry to strengthen Hong Kong's role as our nation's premier international financial centre, to enhance the development of the financial industry and to undertake overseas promotion of our financial services.
10. To entrench our advantages as an international financial centre, much will depend on the future development of our national currency, the Renminbi (RMB), in cross-border trades as well as RMB-denominated financial instruments in the international markets. We will take steps to enhance and strengthen Hong Kong's role as a RMB offshore business centre and increase our market size. Development should be based on the concept of "walking on two legs", having regard to the need to safeguard the integrity of our national financial system: (1) developing a mechanism for overseas RMB to flow back into the Mainland, such as foreign direct investments in RMB and RMB Qualified Foreign Institutional Investor (RQFII) scheme; (2) promoting market development in the use of RMB overseas, including the development of RMB bonds, trading of stocks and other financial products, and promoting third party's financing activities in the RMB offshore market in Hong Kong (such as overseas companies issuing RMB bonds in Hong Kong and using another currency in a third country through a SWAP instrument).
11. Given the maturity of Hong Kong's financial markets and the experience of our practitioners, we will explore measures to expand the size of Hong Kong asset management business and attract more local and overseas assets to be managed in Hong Kong.
12. To extend our coverage of financial services and to increase the depth of our markets, we will take steps to encourage developments in the bond market, the establishment of venture capital, private equity funds and hedge funds and other investment vehicles to cater to the needs of local and international investors. We will also develop the market for commodities and futures trading to expand the service scope of our financial institutions.
13. We will introduce measures to support our locally-based financial enterprises, especially small and medium-sized brokers, banks and fund management companies, enhance their competitiveness, raise their standard of service and expand their market share.

### **Helping the shipping industry to restructure and upgrade**

14. Hong Kong is a coastal city and an established seaport for over a century. It is only logical for the government to support the continued development of our maritime industry. We will take steps to support Hong Kong's shipping services, including the further development of the shipping registry, ship management, financing, trading, leasing, marine insurance, arbitration and related legal services. We will also encourage schools to work with shipping enterprises to attract young people to study maritime related courses in Hong Kong, and to develop Hong Kong into a training ground for mariners and shipping executives.
15. To support the national efforts to promote the utilization of RMB in trade settlements, we will take the opportunity to develop products in shipping services and marine insurance products with prices denominated in RMB, and strive to make Hong Kong a leading international price-fixing centre for shipping and marine insurance products.

### **Promoting industrial development and innovative technology**

16. A change of mindset is necessary to fully recognize the importance of industrial development and innovative technology in our economic future. We will, therefore, restructure the Commerce and Economic Development Bureau into (1) Information and Technology Bureau, and, (2) Industrial, Commercial and Tourism Bureau.
17. The Information and Technology Bureau will map out a comprehensive technology policy to systematically provide support to the development of technology infrastructure, including mobile Internet platforms and large-scale data processing centres. We will strengthen co-ordination between government departments and public bodies dealing with the provision of support for Hong Kong brands, designs, product research and development. We will also streamline and make more efficient the vetting mechanism for the provision of subsidies to enterprises to conduct technology research and development in order to promote the establishment of local technology industry clusters.
18. We will increase our investment in technology infrastructure, especially in relation to mobile Internet platforms, data processing centres as well as testing and certification organizations in order to lay a solid foundation for the development of an innovative technology industry.
19. Recognizing the importance of research and development, we will reinforce support measures to encourage enterprises to conduct research and development, including (1) doubling tax deduction for investment in research and development, and, (2) increasing cash rebates up to 20% for such investment.

20. We will integrate the development of emerging industries on the Mainland with the strategy of developing innovative technology in Hong Kong, focusing in particular on key developments in the Pearl River Delta, such as information technology, communication facilities, motor vehicle electronics and LED technology, and attracting industries and talents to come to Hong Kong to join forces with the Mainland in such development.
21. We will double our investment in research and development in five years to 0.8% of our GDP.
22. The SAR government is a major buyer of applied technologies. It should adopt a procurement policy that would actively support the use of applied technologies, with environmental protection as an important consideration in the procurement policy, and provide support to green industry and energy saving products.
23. We will support Hong Kong manufacturers in restructuring their business model to tap the domestic market on the Mainland, especially in areas such as garments, toys, jewellery, electronics, watches and clocks, where our manufacturers have traditionally excelled in terms of branding, design, product research and development, market research, sales, marketing and exhibitions. We will strive to set up permanent exhibition venues in major Mainland cities to display Hong Kong made products and actively consult with Mainland authorities to help Hong Kong enterprises on the Mainland to resolve the problem of increased taxation costs arising from business restructuring.
24. We will also consider expanding the scope of business of the Hong Kong Export Credit Insurance Corporation to provide credit information and insurance service for Hong Kong enterprises tapping the domestic market on the Mainland.
25. In recent years, Chinese medicine has evolved from its traditional origin to a branch of medical science with its practitioners being regulated in much the same way as other medical service providers. It is, therefore, appropriate that we will set up a Chinese medicine development committee to formulate a new strategy for the development of the Chinese medicine sector.

#### **Active support for SMEs**

26. We will provide assistance to SMEs in obtaining various forms of long and short-term financing and we will reinstate as soon as possible the Special Loan Guarantee Scheme to help SMEs in obtaining long-term, revolving facilities; and provide appropriate government guarantee. This would enable them to better plan their long-term development.
27. We will also promote micro-loans and motivate participation by the financial sector in making available loans to new business start-ups.

28. We will conduct reviews on regulations and administrative procedures that are not conducive to a favorable business environment for the SME's and small merchants, including the simplification of licensing procedures; improving customs efficiencies, and smoother administrative procedures. A business impact assessment should be performed before the establishment of new regulations.

#### **Cultural and creative industries**

29. We will expedite all work phases at the West Kowloon Cultural District and promote the development of cultural and creative industries.
30. We will promote local and international cultural and creative activities as well as staging exhibitions of high quality, enriching the cultural life of our residents and attracting visitors from the Mainland and around the world.
31. We will appropriately increase the subsidy for cultural and recreational facilities and activities so that local cultural and arts groups can have more scope for development.

#### **Promoting development of tourism and retail businesses**

32. Hong Kong is an international tourism and shopping hub and a gourmets' paradise. We need to lift the standard of our services to attract more visitors from the Mainland and around the world to come to Hong Kong for sightseeing and to make purchases in our shops. To this end, we will make available more land for construction of hotels, improve existing and built new places of interest, and strengthen personnel training to make our tourism service worthy of our reputation.
33. We will increase land supply for hotel use particularly rural land for resort hotels as long as they do not adversely affect the environment.
34. We will construct additional convention and exhibition centres with special emphasis on venues for large scale convention use (non multi- functional rooms) at suitable places to relieve the current shortage of space, support the hosting of trade fairs and international business negotiation services and promote the training of relevant personnel and expertise.
35. We will speed up the construction of piers for cruise ships and ancillary commercial facilities, to attract more international cruise ships to come and use Hong Kong as their home port.
36. We have wholesale businesses that are unique to certain districts, for example, electronic products in Sham Shui Po, and apparel and textiles in Cheung Sha Wan. We will take steps to promote them, introducing tourists to visit the wholesale markets and in so doing bring vitality to such neighbourhood businesses.
37. We will initiate study on how to better use the balance of the 'Tourism Compensation Fund' for the industry's own development, for example, 'small & medium sized tourist agency credit guarantee programme' (referencing the existing SME Credit Guarantee Programme).

### Developing a regional insurance center

38. We will invite representatives from the insurance industry to join the Financial Development Council to explore the developmental directions available to the insurance industry, promote development of new insurance products, and encourage insurance business which would contribute to the general economy, such as financial product linked insurance and captive insurance.
39. Working within the CEPA framework, we will provide support to the insurance industry to access the Mainland market, and help strengthen the communication with the insurance management committees of the Central Government.
40. We will support the development of RMB denominated insurance products to enhance RMB investment channels in Hong Kong.

### Promoting the agricultural and fisheries sector

41. Fisheries is one of our traditional industries and we believe that there is good reason to re-vitalize it. We will set up a fund to provide loans for fisheries development, including low-interest loans to help Hong Kong fishermen to build an ocean-going fishing fleet. We will also promote the restructuring of the fisheries sector, developing aquaculture and recreational fishing with local characteristics.
42. We will provide technical support for aquaculture, designate appropriate sites and set up local fish fry farms.
43. We will provide support to farmers to develop organic farming.
44. We will establish an agricultural and fisheries research centre, integrating scientific, bio-technical and ecological research efforts to sharpen the competitive edge of our local agricultural and fisheries sector, floral culture and poultry sectors.

### Improving the territorial distribution of business functions in Hong Kong

45. To improve our competitive edge, we need to increase our business capacity. Accordingly, we will expand the core business areas in Kowloon West, develop Kowloon East, plan new development areas in New Territories North and leverage the advantages of surrounding areas near the airport and cross-boundary infrastructures to rearrange the functions of New Territories West and the Lantau Island.
46. And, we will modify the distribution of urban economic functions, create more job opportunities locally in new towns and new development areas and in the process reduce transport costs and travel time wastage for both employers and employees.





## My Pledge on Housing

Housing tops the list of livelihood issues that are of public concern. It is also the bedrock of a stable society. That should not come as a surprise to anyone, given the traditional Chinese thinking that there is nothing more important than having a roof over one's head.

To enhance the sense of belonging to society, we need to make housing more affordable and accessible to different strata of society and establish a housing ladder to promote home ownership and social mobility.

Public housing constitutes half of the housing stock in Hong Kong, and, for that reason, it is particularly pertinent to the quality of life of many people in our community. It follows that public housing resources should be allocated fairly to increase circulation for use and to ensure equitable utilization of resources.

Needless to say, housing needs land. As explained in my platform on land use, there is no lack of land in Hong Kong. What is lacking is long-term planning.

### Background

Private property prices have jumped by 95% over the past five years, making it difficult for people to buy their homes. Correspondingly, rents have also gone up by 48%, aggravating the problem of sub-divided living units and cubicle apartments.

The number of applicants for public rental housing surged from 86,000 in 2002 to 165,000 at the end of September 2011. Among them, the number of non-elderly single applicants reached 72,000.

The present administration has announced the resumption of construction under the Home Ownership Scheme (HOS) but it will be several years before the first lot of new HOS flats are released onto the market. At present, only an average of 2,000 HOS flats a year change hands in the HOS secondary market.

All of these explain why applicants for public housing under various categories are faced with long queues.

### Government's Responsibilities

- The government must have the determination and foresight to satisfy public demand for housing supply, lay a foundation for steady development of the property market, and address the worsening living condition of some of our citizens.
- Consistent with our land supply policy, the government should make available land in a steady and orderly manner for developers to build private housing.

- Appropriate policies should be devised to assist middle-income families who have the financial means to buy their own homes.
- To cater for those with more modest means, adequate public rental housing should be built to meet the needs of low-income families.

## My Policy Platform

### Long-term planning

1. We will formulate a long-term housing strategy and review it every five years and set up consultative committees under relevant policy bureaux to give advice on the long-term housing strategy. We will conduct regular housing demand assessments and develop a sustainable programme of public and private land and housing supply.

### Land supply

2. We will increase the transparency of government's land supply and enhance implementation sustainability.
3. We will review the short and medium-term government plans as soon as possible and consider changing the use of vacant/waste government land/buildings, land on short-term tenancies, rural and industrial land for housing development, where ancillary infrastructure is in place. For land with development potential but without the infrastructure, we will take steps to provide the ancillary facilities as quickly as possible.
4. For the medium and long-term plans, we will continue to identify and provide new land for urban renewal and new town developments. We will also consider undertaking reclamation outside the Victoria Harbour to build up a land reserve to meet economic and social development needs.

### Assisting middle-income families to buy their own homes

5. For middle-income families, we will extend the period for tax deduction of mortgage interest from the present 10 years to 20 years, and raise the maximum interest deductible from \$100,000 to \$150,000.
6. We will strengthen consumer protection by increasing market transparency and fairness in the sale of first-hand residential properties.

7. The present administration has launched the "My Home Purchase Plan" to help families with income exceeding the HOS limits but falling short of being able to buy their homes in the private properties market. Unfortunately, the Plan is not large enough in scale to satisfy demand. Subject to the overriding premise of maintaining stable property prices, we will consider identifying land to build another type of housing which can satisfy the housing needs of the middle-class families, and study the introduction of a "Hong Kong property for Hong Kong residents" policy, in which the relevant land lease will contain a restriction whereby the completed housing units can only be sold to Hong Kong residents, in order to assist those home buyers whose income exceed the HOS limits<sup>1</sup>.
8. Subject to adequate supply in the private housing market, we will consider introducing low interest or interest-free loans to assist middle-class families, subject to fulfilling certain specified criteria, to purchase their homes in the private properties market.
9. We will allocate more land for homes designated for retiring middle-class elderly persons to meet the demand from an ageing population.

### Resumption of HOS

10. As an interim measure before new flats under the HOS programme are released onto the market, 5,000 applicants will be drawn from the list of "white-form applicants" annually who will be allowed to purchase flats in the HOS secondary market. The original HOS flat owner will not have to pay a premium to the Housing Authority upon sale, but the purchaser will have to bear the responsibility of having to pay the premium when the flat is eventually sold in the open market (same as what green-form applicants do now). The effectiveness of the policy and the quota will be reviewed after a period of time. This proposal will not only speed up the circulation of second-hand HOS flats, but also help eligible families to purchase flats in the HOS secondary market without having to pay a premium, thereby allowing more people to benefit from what is essentially a subsidized flat.

### Improving the living environment

11. Future developments should be undertaken with people in mind, in other words, putting people in the forefront of any developmental exercise. In the planning and designing of our community, we will take into account the overall distribution of buildings, supporting facilities, streets and alleys, in order that the public living space will be lively and reflect the unique character of the particular community.
12. We will increase the manpower necessary to conduct a comprehensive survey of subdivided living units, caged homes and cubicle apartments, set appropriate safety and hygiene standards and formulate long-term policies to solve the problem.

<sup>1</sup> Please refer to Policy on Land, Planning and Transportation

13. We will expedite the pace and enlarge the scale of urban renewal and improve the overall planning in district development.
14. We will support and encourage non-profit-making organizations to provide hostel accommodation for young people with limits on income and period of residence specified to ensure appropriate rotation of use.

#### **Building more public rental housing**

15. We will build more public rental housing units to deal with the existing backlog of applicants currently on the General Waiting List as well as those who will come onto the list within the next few years. We will expedite the construction of the planned 75,000 public rental housing flats in the next five years as announced by the current administration and bring forward by one year the completion of about half of the flats (35,000) scheduled for completion in later years, in order to cope with the growing number of applicants on the General Waiting List. The process will include the provision of interim housing for residents of sub-divided units, caged homes and cubicle apartments, who are not eligible for public rental housing, after eviction from their dwellings in the course of urban renewal.
16. Based upon an assessment of supply and demand in our long term housing strategy, we will appropriately increase the construction of public rental units to ensure that the average waiting period for family applicants and non-elderly single applicants who are over the age of 35 will be three years, as well as shortening the waiting period for those applicants who are 35 or below.
17. To increase supply, we will redevelop old public housing estates with outdated facilities or low plot ratios but possessing redevelopment potentials.

#### **Improvement to public housing policy**

18. We will review the public rental housing allocation policy to encourage young and elderly people to live with their families.
19. Complementing the above, we will provide integrated elderly services at public housing estates having a large elderly population so as to encourage elderly persons to retire at home.
20. Starting with the more remote areas, and subject to there being adequate land supply and shortened waiting time for public rental units, we will set a long-term objective to progressively raise the per capita space allocation standard for public rental housing, with a view to improve the living environment of public housing tenants.

## **My Pledge on Education**

### **Background**

Access to education is a basic right. Such access underpins the success of our community. It follows that the quality of our society depends to a large extent on the quality of education, which, in turn, is predicated on the professionalism of our teachers and school principals, supported by effective education policies which have the interests of students as their primary consideration.

Hong Kong's education system enjoys international recognition, due in part to a good mix of the best in both Chinese and Western cultures. As such, Hong Kong is in a position to serve the demand for quality education from the Mainland and the Asian region.

As an international city, Hong Kong must also attach importance to the English proficiency of its people. At the same time, Hong Kong's future development is so closely entwined with that of the Mainland that our students need to deepen their understanding of the country's history, culture, social systems as well as the concept of *"One Country, Two Systems"*.

At present, the government offers 12 years of free primary and secondary education. Early childhood education is provided by private and non-profit organizations, and the government subsidizes parents through a voucher system. Beyond the 12-year free education, higher education is provided by eight UGC-funded universities, which together recruit approximately 20 percent of young people in the relevant age group.<sup>1</sup>

### **How I see the role of Government**

Education should not be viewed as an expense but rather an investment in our future – an investment that will provide the assurance to our society's continued development and vitality.

The government has the responsibility to provide equal opportunities for access to education. No student within the relevant age groups should be denied schooling for financial reasons, and extra support for students in disadvantaged groups should be provided.

<sup>1</sup> At present, subsidized primary schools have a standard class size of: 25 for small classes and 30 for non-small classes. Teacher-class ratio is 1:1.15. The standard class size for secondary schools is 34. Teacher-class ratio is 1:1.7 at the junior secondary, and 1:1.9--:1 at the senior secondary level. In 2010/11 academic year, the teacher-class ratio for both primary and secondary schools is 1:15.2.

Higher education institutes may recruit up to 20 percent non-local undergraduates. Mainland students may remain in Hong Kong for up to one year after graduation to seek employment. They will become permanent residents after seven years (including the period of study). From 2012, undergraduate courses will be extended to four years.

Over the years, we have witnessed how every stakeholder in the education system (schools, students and parents, and teachers alike) struggles to cope with a seemingly never-ending stream of changes and reforms. Acknowledging that reforms are necessary when called for, education should be approached as a continual endeavor and planning undertaken on a long-term basis. Changes affect everyone in more ways than one and there is a need to maintain stability of the education system and policies.

## And how I propose to address the issues – My Policy Platform

### Planning ahead

1. We will project the student population within specific timeframes, especially children with non-Hong Kong born parents coming to Hong Kong for education. We will plan ahead with the distribution of kindergarten/child care centres and primary schools, and allocation of school places, in a timely manner to avoid excessive pressure in certain districts.
2. In line with early planning, we will begin work on the introduction of 15-year free education as soon as possible.

### Quality education from the start – Early Childhood Education

3. We will provide free early childhood education. We will set up a working group under the Education Commission to work with stakeholders, including sponsoring bodies, principals, teachers and parents to formulate implementation details. We will also consider providing subsidies to child care centres and kindergartens towards their expenditure on teachers' salary.
4. We will increase the subsidies for whole-day child care centres and kindergartens and progressively increase the number of available school places with priority given to families with both parents working full-time and families which require special support or are disadvantaged.
5. We will establish a permanent consultative platform with the relevant sector and stakeholders to facilitate the formulation of development plans for quality pre-school education. We will also progressively raise the qualification of pre-school teachers, promote continuing education and professional sharing among peers and establish a remuneration framework for pre-school teachers.
6. Recognizing the difficulties faced by ethnic minority children in learning the Chinese language, we will take steps in providing appropriate support to them and their parents.

### Moving on to Primary and Secondary School – Lighten the load for Students and Teachers

7. We will ease the assessment pressure on Primary 6 students, and ensure that they have mastered the basic skills required for promotion to secondary school.
8. We will lighten the burden on teachers and students from two aspects: first, review the senior secondary school curriculum and school-based assessment, and, secondly, suitably increase the number of teachers together with administrative support, thereby enabling teachers to devote more time to students and to their own professional development.
9. Whilst, in the coming years, the secondary school student population is expected to decline, this is likely to be offset by children, whose parents are non-Hong Kong residents, coming to Hong Kong for education. To ease the interim problem of under-recruitment at certain schools, we will provide more flexibility to schools to determine for themselves the class size at Secondary 1 level (30-35 per class).
10. Schools that fail to recruit enough students for various reasons will be permitted to operate small classes (25 students or below) catering for students who require additional attention or extra care, for example, students with behavioral or emotional problems or with low family support and those from the ethnic minority communities.
11. The subject of integrated education has been a matter of concern for affected parents for some time. We recognize their concern and will review the effectiveness of integrated education with the objective of providing additional support to schools.
12. We will provide support to schools to assist secondary school students in making preliminary plans for their future development, including strengthening their understanding about Hong Kong as their home and the country as their national identity.
13. In recent years, an increasing number of parents have opted for places at international schools for their children, in some cases to equip them for further education abroad. At the same time, we are mindful of the educational needs of expatriate students and children of foreign nationals working in Hong Kong. Having regard to the shortage of places at international schools, we will work with relevant stakeholders (such as chambers of commerce of foreign countries) to identify practical solutions.
14. It is generally recognized that non-Chinese speaking students are handicapped when it comes to furthering their studies in local schools or tertiary institutions, as well as experiencing difficulties in securing employment in the labour market. We will address this issue and work with relevant stakeholders to develop a curriculum and assessment criteria for "Chinese as a Second Language".

#### **And as we prepare our students for higher education**

15. We will review the role, functions and resource allocation criteria of the University Grants Committee and the Research Grants Committee. We will provide more research opportunities for young scholars and also encourage academics to be more involved in social issues and participate in policy and applied research.
16. We will broaden the articulation pathways for secondary school graduates, including the provision of subsidy for attending universities on the Mainland, and more subsidized tertiary education opportunities (for both degree and diploma courses) and private university places in Hong Kong.
17. We will provide more opportunities for university graduates to receive on-the-job training and participate in exchange programmes on the Mainland and overseas.
18. With undergraduate studies being extended to four years from 2012 onwards, we will increase student hostel places to support the development of four-year undergraduate programmes and internationalization of the universities.
19. We will lower the risk factor calculation in the Tertiary Student Finance Scheme and other similar schemes for post-secondary students and consider allowing more flexible repayment terms for these borrowers.
20. Research capability is at the heart of tertiary education development. With that in mind, we will increase research funding for the universities, and will strive to set up more research laboratories of national standard in Hong Kong to promote innovation and technology through the joint efforts of scholars from Hong Kong, the Mainland and overseas. We will also actively encourage private sector investment in research projects, thereby integrating and maximizing the inputs and resources of the government, industry, academia and researchers.
21. We will provide support to distinguished Hong Kong scholars to participate in national and international research projects, contributing to the country's development in the relevant fields of study as well as extending the horizon for academic research for our local scholars.
22. Furthermore, recognizing the importance and effectiveness of public-private cooperation, we will re-launch the Matching Fund to encourage community investment in higher education.
23. With a view to expand our pool of talents, we will examine the feasibility of establishing a high-calibre private university to attract talents from the Mainland and abroad, and entrench Hong Kong's role as the region's education hub.

#### **And no less important**

24. We acknowledge the concerns expressed by parents over textbook prices. We will establish a platform for relevant stakeholders (including publishers, teachers, parents and the Education Bureau) to identify ways and means to reduce the cost of publishing and ease the burden of parents.
25. And above all, we recognize that teachers are at the very centre of any education system. We will work with all stakeholders in the field of education to foster a culture of respect for teachers in our society, and in so doing attract individuals with outstanding qualities and those who wish to participate in the all-important task of nurturing and educating our younger generation to join the teaching profession.

# My Pledge on Social Welfare

## Background

As a generally affluent society, Hong Kong has all the necessary pre-requisites to provide and satisfy the basic needs of everyone in our community. The issue, therefore, is not one of affordability but rather whether we have the political will to devise and implement a comprehensive social welfare policy that will straddle a broad spectrum of community demands, sectoral interests and priorities.

Contrary to common impression, social welfare is more than just alleviation of poverty. A comprehensive and broadly-based social welfare policy will recognize that the family is the cradle for personal growth; that is where most of us began our life journey. That recognition will lead to the founding of harmonious and supportive family relationships which help to fend off adversities affecting members of the family. In turn, a family-based social structure will bring about a stable society.

Within a family, and in the fullness of time, there will be elderly members, who should be honoured for their special place in the family, loved in return for the love they felt for their family in their younger days, and cared for in recognition of the contribution which they made in earlier years. It is incumbent upon us as a community to support them in their golden years, make provisions for their living and provide them with a decent home.

Every society is made up of a diversity of people, including, for example, people with disabilities, new immigrants, the elderly, women, chronically ill people, and the underprivileged. They are part of the community and should be treated equally without discrimination. The purpose of a social welfare policy is to promote harmony and inclusivity among different social groups and to garner their collective strength for the better development of our society. We need to provide support to ensure their social and economic integration into society.

As in any modern society, we have a large contingent of working women who, in addition to their responsibility in taking care of their families, maintain a career of their own, a career which also reflects the society's investment in them in their formative years. This dual role deserves recognition and support. When formulating policies and providing social services, the government must take into account this differentiation in roles and avoid discrimination based on gender.

Young people are the future of our society. A youth policy should be formulated from a developmental perspective, creating the right condition and environment for young people to unleash their potentials, vitality and creativity.

Again, as in any international city, we have a variety of ethnic minorities in our midst, many of whom have been a part of our society for many years and made significant contributions to the development of Hong Kong. We honour their presence and we need to provide for their integration into the community in our social policies.

Essentially, social welfare is not only about giving support to the underprivileged, but rather to strengthen the capability and enhancing the quality of all members of the community, thereby facilitating social development.

In the final analysis, if we pride ourselves as a mature society, we must show that we are a caring and fair society.

## The present situation

- Hong Kong's per capita output (US\$32,000) is among the highest in the world; however, there are 280,000 families in Hong Kong having an income below the Comprehensive Social Security Assistance (CSSA) payment level.
- The poor in Hong Kong mainly comprise of the elderly, people with low income, new immigrants and ethnic minorities. Among the CSSA recipients, about half are elderly aged above 60. There are some elderly who do not wish to apply for CSSA and choose to rely on their monthly Old Age Allowance due to their concern over the labeling effect.
- Since the implementation of a statutory minimum wage, the poverty problem of the working class has seen some relief.
- The family bond of single-parent families is weak. Single parents of low-income families and their children need special care.
- Over the past seven years, there has been an annual average of about 45,000 people entering Hong Kong with One-way Permits. The education level of these new arrivals has been higher recently, but some of them continue to experience difficulty in adapting to life in Hong Kong.
- The Mandatory Provident Fund (MPF) scheme introduced in 2000 is expected to provide some form of retirement protection to contributors after 2020. But before then, there is a lack of retirement protection for low-income residents. Furthermore, more than 700,000 housewives do not have any protection under the MPF scheme.
- Hong Kong families generally face long working hours, a crowded living environment and heavy pressure from everyday life. The stress associated with bringing up children and competition in the school system also plagues them.
- Most of the families in Hong Kong do their best to raise their children, but there remain some children not receiving the necessary care and nurturing.
- There are insufficient community and home care services for the elderly living at home and the waiting time for admission to residential care homes for the elderly is very long.

- There is a serious shortage of places in residential care homes for people with disabilities; and community facilities cannot take care of their daily needs.
- In the wake of global competition and the ever-changing social environment, young people nowadays often feel that they face an uncertain future with low upward mobility. There is also a lack of channels for them to influence or participate in policy-making, which kindles negative sentiments, and this is not conducive to the stability and unity of our society.

## The Challenges ahead

- ❑ Alleviating poverty: The gap between the rich and the poor in Hong Kong has been widening in recent years. To address the issue of poverty effectively, it is necessary to have a balanced economic development and to put in place a reasonable and sustainable social system where different strata of society can appropriately share the fruits of economic development.
- ❑ Consolidating the functions of family: The family, as a fundamental unit of society, should take on the responsibility to provide for and take care of its members, including the young, the elderly and people with disabilities. Social welfare measures should consolidate the functions of family. As regards families that cannot perform their caring functions, the government should provide appropriate back-up, in particular, for high-risk families.
- ❑ Young people need to be given opportunities to express their views, provided with more choices and prospects in education, training and employment.
- ❑ Gender differences should be taken into account when formulating and implementing social welfare policy with a view to prevent gender-based discrimination.

## My Policy Platform

### Poverty alleviation

1. We will reinstate the Commission on Poverty to undertake an overall review of the forms and manners by which poverty is manifested and their underlying causes. We will study, systematically address the issues identified and adopt measures to alleviate the causes leading to poverty. Specific work will include:
  - Conducting an overall and in-depth study of strategies and measures that address various forms of poverty, including among the elderly, the working poor, cross-generational poverty, poverty affecting new immigrants and ethnic minorities, and regional poverty;
  - Studying how to introduce short, medium and long-term measures to solve the problem of elderly poverty and improve the present social security and retirement protection systems;

- Examining whether we can further alleviate in-employment poverty and cross-generational poverty through establishing a social system, for example, assessing how effective is the implementation of the minimum wage in alleviating working poverty, studying the feasibility of providing a subsidy to cover part of the living expenses of low-income families;
- Reviewing how to co-ordinate and possibly amalgamate various Funds for the underprivileged to make them more efficient, systematic and well-planned to help those in need, including new immigrants and ethnic minorities' families and individuals;
- Exploring how to co-ordinate and streamline the application procedures for the various subsidy or remission schemes, including housing, medical services, education and transport subsidies;
- As regards regional poverty, studying regional employment needs and promoting economic development in remote districts, capitalizing on their geographical location and regional characteristics;
- Apart from cash assistance, addressing the housing needs of the poor and giving them assistance in their search for employment.

### Supporting the elderly and providing for their needs

#### 2. Retirement Protection

- We will build on the existing Old Age Allowance scheme and introduce a special allowance for the elderly who are in need so that they can receive about double the amount of the allowance (\$2,200) every month after a simple declaration of income and assets. Subject to that, the existing Old Age Allowance scheme will remain unchanged.
- We will consider combining the elderly CSSA and Old Age Allowance schemes. We will also explore the possibility of allowing declaration of income and assets on a personal basis and assess its impact on the family policy and public finance.
- We will explore ways and means to enhance the MPF scheme, including reducing management fees, providing choices of annuities, introducing investment products with steady returns, increasing portability of accounts and expanding the scheme coverage, such as providing tax concessions to encourage spouses to contribute for their partners who do not have an MPF account, with a ceiling of 5% of the monthly income of the contributor.
- We will study the impact of our ageing population on public finance. We will undertake planning on a timely basis and set aside adequate moneys in a special Fund to meet the extra expenditure that will be needed by reason of our ageing population to provide elderly care, medical and health services in the years to come.

3. We will study how we can co-operate with the Mainland to provide the elderly who choose to retire in their ancestral home towns with supporting services such as housing and medical healthcare.
4. We will address the mismatch of resources in elderly services. We will formulate long-term care strategies, strengthen home care and day respite services, streamline and enhance residential care services to shorten the waiting time, and encourage the relevant service providers to provide services at different fee levels to satisfy the requirements of different strata of society.
5. We will conduct an overall assessment of the housing needs of the elderly and formulate relevant policies and strategies.
6. Special attention will be given to the housing and care needs of the elderly in the middle and lower income groups, and we will provide land for the construction of integrated housing and care facilities for the elderly.

#### **People with disabilities**

7. To enhance integration of our citizens with disabilities, we will promote the use of barrier-free design in all buildings (especially with respect to new constructions), pavements, road access and public transport facilities.
8. We will study measures to promote employment of people with disabilities, such as setting up an employment subsidy scheme and providing tax concessions to employers who provide them with employment.
9. We will also study and implement strategies and measures to shorten the waiting time for daytime training and residential services.
10. We will work with the relevant transport operators to put in place fare concession (at \$2) for people with disabilities to facilitate their travels on buses and minibuses.
11. We will also allow people with loss of one limb to apply for Disability Allowance.
12. We will strengthen follow-up rehabilitation services for former mental health patients.

#### **Women and Family**

13. In order to foster a "Family Friendly" society, we will formulate clear-cut policies and take the lead to create a work environment to achieve this, for example, providing paternity leave for male staff in the public sector and encouraging its extension to the private sector, introducing flexible working hours and allowing employees to choose to work at home as appropriate. It is well established in more advanced economies that a family-friendly policy helps to enhance employees' sense of belonging and balance the demands of work and family responsibilities, thereby stimulating creativity and improving productivity.

14. Recognizing the innate concern of working woman for the well-being of their families, we will strengthen support for them, such as providing whole-day child-care service and after-school care service to families with both parents working.
15. We will also provide women, who are house-bound in order to provide long term care to their families, with a community support network and services, such as by expanding elderly home-care and child care services.
16. We will strengthen support for victims of family and sexual violence and upgrade women health services, including examination and test for breast cancer, and primary healthcare centres for women.
17. We will systematically study how current public policies affect family structure and functions.
18. We will pay close attention to the needs of young families, underprivileged families, cross-border families, and families of ethnic minorities and people with disabilities. We will provide a platform in the community to facilitate exchanges among parents, establish a mutual-help network and provide parenting education with emphasis on both scope and quality.

#### **Children and Youth**

19. We will map out our policy agenda on youth development, coordinate and streamline youth policies under the purview of various bureaux including the Education Bureau, Labour and Welfare Bureau and Home Affairs Bureau. More importantly, we will take account of the views of our young people.
20. We will step up communication with young people, provide more opportunities for them to take part in politics and political discussions, such as holding district youth forums, increasing the percentage of youth members in consultative committees.
21. We will provide young people with more diversified education, training and employment opportunities.
22. We will provide more opportunities for young people to have on-the-job training at commercial enterprises in Hong Kong, the Mainland and abroad to broaden their horizon and life experience.
23. We will assess the social work services needed for primary and secondary schools, and increase manpower provision accordingly.
24. And we will refine our supporting services to help young people who have the ambition and courage to start their own business.
25. To care for and provide support to the healthy growth and development of children from underprivileged or malfunctioning families, we will study the formulation of policies to deal with the developmental needs of these children.

### Social Participation

26. We will establish a "Social Enterprise Development Fund", financed by the Lotteries Fund, to facilitate the setting up of social enterprises. We will also encourage the commercial sector to provide funding support and guidance on the business operations of the social enterprises.
27. We will leverage the network of district leaders, businesses, and charities to build local mutual help network and mobilize volunteers to provide support to the elderly, people with disabilities, and underprivileged families. For example, in districts with more poor families, the local network can implement special measures such as debit card for the elderly, or low price canteens.

### Service Development

28. We will initiate medium and long-term planning for the development of social welfare services, including laying down specific objectives and targets for the provision of manpower, training and service facilities.
29. And, we will assess the impact of lump-sum grant on social welfare service development in a bid to improve the funding systems currently in practice.

## My Pledge on Medical & Health Services

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### Background

It is probably true to say that of all the services provided by government the provision of medical and health services is of special significance to each and every citizen in that this is one service which is relevant to everyone throughout his or her lifetime, literally from cradle to grave. This underscores the community's interest in the quality of medical service that is made available to the public, and at the same time it provides justification for the huge expenditure necessary to support that service. By the same token, it is perhaps more accurate to describe the expenditure not so much as an expense but rather an investment in the well being of the community.

The basic premise of a medical and health policy is that medical services should be accessible to everyone without regard to the individual's social status or economic background. Wealthy individuals and others of more modest means are equally entitled to medical treatment at our public hospitals. Fairness in the provision of medical and health services is an important cornerstone in ensuring cohesion and stability in our society.

In a community which embraces the precepts of free economy, there are those who will wish to choose the kind of service commensurate with their financial means. They are willing to pay more for medical services in the private sector which better suit their specific requirements. This right of choice should be preserved and indeed encouraged, which will have the added advantage of releasing more resources to answer to the needs of our less well-heeled citizens.

There are also those who will need to be provided with assistance by way of cash subsidy to allow them to have some degree of choice. This too will have the effect of alleviating, albeit only in modest measure, the pressure now borne by our public medical facilities.

Given the composition of our population, there are many who prefer Chinese medicine in treating their ailments. In recent years, this traditional form of treatment has evolved and become more widely accepted, in some cases, even by practitioners skilled in western medicine. Then there are also those who use both forms of treatment, depending on the nature of their health conditions. Accordingly, there are good reasons to promote the development of Chinese and western medicine in parallel to provide choices for our citizens and to respond to their service needs.

## Where we are now

- Public hospitals in Hong Kong charge very modest fees for the very high standard of service which they provide to the people of Hong Kong. This probably explains why 90% of patients requiring hospitalization attend public hospitals for treatment. This in turn translates into the high level of expenditure on medical and health services in the public sector with estimates reaching \$39.9 billion for this year.
- At present, expenditure on public medical and health services is met from general tax revenue. Legitimate question is being asked as to whether the current system is sustainable given the rate of aging in our population within the next two to three decades.
- Given the imbalance between the public and private medical services, medical and healthcare staff in public hospitals have to work long, and, at times, unreasonably long hours and patients are faced with long queues to receive treatment for non-acute ailments.
- Following on from the Asian financial crisis, the government cut funding for medical services and closed nursing schools. The intake of new students by medical schools was reduced. As the economy recovers, there is now a shortage of medical and healthcare staff to service our public medical facilities. With the recent influx of Mainland pregnant women giving birth in Hong Kong, staff shortages at public hospitals have become more acute.
- Although Chinese medicine enjoys the confidence of citizens in those areas where the traditional treatment excels, the functions of Chinese medical practitioners are not comparable to those of doctors practicing western medicine and their income is, by comparison, low. The profession feels that the government here as compared with the governments of surrounding areas has not made enough efforts to promote the development of Chinese medicine, and that it has neglected the potential benefits that could come from a joint development of Chinese and western medicine.

## What I believe Government must do

- ❑ The government must hold fast to the practice of providing high quality, affordable public medical services for the general public. This is to ensure that patients would not be denied treatment because of lack of means and would not fall into poverty due to high medical expenses.
- ❑ The government should support development of the private medical services sector, not for the purpose of reducing its responsibility in the provision of public medical services, but with the aim of ensuring the sustainability of the entire system.

## My Policy Platform

### Twin-track system for public and private medical sectors

1. It is probably fair to say that Hong Kong's public and private hospitals are among the best that one can find anywhere in the world. The twin-track system for public and private medical sectors has worked well for us and we will continue with that *modus operandi*. Public medical services provide a safety net for residents while private medical services provide choices for those with the financial means.
2. Given that the Hospital Authority has been established for more than 20 years, and in order to respond to changes in society such as an expected ageing population, we will embark on an overall review of its management and staff systems, working hours, cost benefits and service levels in accordance with its own positioning. The purpose is to ensure that the Hospital Authority is able to provide quality service of the highest standard and comparable effectiveness under the twin-track system.
3. We will take steps to make better use of resources of the public and private medical services and undertake a study into the possibility of contracting out services to provide patients with more choices.
4. Whilst further developing private medical services, we will take steps to improve and strengthen the monitoring mechanism on private hospitals and medical consortia.
5. We will also undertake a study on the allocation of land to encourage non-profit-making organizations to establish hospitals and operate them on a self-financing basis.

### Medical expenditure and financing

6. In order to cope with the challenges posed by an ageing population, we will, subject to available finance, maintain progressive increase in funding for public medical services in the medium to long-term.
7. This subject of an ageing population has given rise to much discussion in the community concerning long-term healthcare financing. The current government is encouraging those who can afford it to take out health insurance on a voluntary basis. We will assess the effectiveness of this initiative and take the matter forward as appropriate.
8. Purchasing health insurance is another expense in the household budget. We will introduce tax incentive to encourage residents to take out health insurance cover.
9. Concurrently we will consider the establishment of a mechanism to monitor and regulate the health insurance market in order to safeguard the interests and rights of the patients and policy holders.

#### **Manpower resources**

10. To maintain quality and standard of service, it is essential to undertake long-term planning of the manpower requirement necessary to support the public and private medical and healthcare sectors. We will take steps to ensure a steady supply of new entrants to the industry corresponding to the demand for services, and, as far as is possible, ensure that it will not be affected by economic cycles.
11. We fully recognize the importance of allied health staff to the successful operation of the entire medical system. We will ensure that the all-round manpower resource planning will cover all types of allied health staff.
12. In a knowledge-based industry, continuing education and upgrading of skills for practitioners are essential to maintain the required standard of service. We will take steps to ensure that specialty training and continuing education is made available to on-the-job medical and healthcare personnel.
13. Frontline medical and healthcare personnel have been suffering from the problem of long, and at times, unreasonably long, working hours for a considerable length of time. We acknowledge the existence of this problem and will find a way to deal with the situation.
14. In part to address the foregoing problem, we will employ part-time doctors at a reasonable fee to alleviate staff shortages.
15. We acknowledge the community's concerns brought about by Mainland pregnant women whose husbands are not Hong Kong residents giving birth in Hong Kong, and will adopt measures consistent with our population policy to deal with the strain on obstetric services and maternal and child health services in both the public and private sectors, as well as addressing the impact on the safety of these pregnant women and their babies.

#### **Health care vouchers and primary care services**

16. Needless to say, the best way to contain expenditure on medical and healthcare services is to advocate a healthy society. We will promote health education to different age groups and instill the message of healthy living.
17. Acknowledging rising medical cost, we will increase the value of elderly health care vouchers to \$1,000 a year.
18. We will consider combining the concept of health care vouchers with primary care services to subsidize chronic patients (such as diabetes, hypertension and lipid disorders) in making choices between public and private medical services, and, in that context, consider further increasing the value of health care vouchers.

19. The adequacy or otherwise of support available to mental health patients has been a subject of discussion in the community for some time. It is fair to say that there is undoubtedly an issue to be addressed. We will provide more services to the mentally ill and make available support to those with minor mental illness to visit family doctors.

#### **Dental service**

20. We will provide additional resources to develop dental service for the elderly and school children in the public medical sector.

#### **Chinese Medicine**

21. We will set up a Chinese medicine development committee which will include representatives from the Chinese medicine sector. The committee will present proposals to the government concerning the strategy for the development of the Chinese medicine profession, set out the functions of Chinese medicine practitioners, and study the transitional arrangements for listed Chinese medicine practitioners. Representatives from the Chinese medicine sector will also be invited to join relevant consultative committees.
22. We will explore expanding the role of Chinese medicine in the public healthcare system, hiring more Chinese medicine practitioners, encouraging the integration of Chinese and western medicine in clinical treatment and research. We will also encourage the specialty development of Chinese medicine, study the feasibility of establishing a hospital specializing in Chinese medicine and provide continuing education to Chinese medicine practitioners in advancing their professional development and status, which, in turn, will bring about improvement in their remuneration.

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In short, there is no better society than a healthy society.



## My Pledge on Religion Culture and Arts

As a successful metropolis and financial centre, Hong Kong possesses all the conditions required to become a cultural centre in East Asia. In practical terms (without wishing to sound too worldly), a livable city needs to be economically affluent with an environment that promotes a sense of spiritual well-being. What that environment can provide in terms of the quality and range of cultural activities reflects the life of that city.

It is probably also true to say that development of cultural activities has economic implications. Promotion of culture can and does become part of the economy. The cultural creative industry can be developed into a thriving industry. Cultural activities are not designed for commercialization, but appropriate commercialization, such as sponsorships, helps to enrich the contents of the activities and, more importantly, enhance their accessibility to those who would otherwise not have the financial means to enjoy or participate in them.

Hong Kong has a unique history and sits on the East-West cultural interchange. At the same time, it has a special mission to inherit and pass on the Chinese culture and Hong Kong's unique historical past. Hong Kong is no longer a "borrowed place" nor on "borrowed time". Now is the time for the SAR Government to devise and implement a set of comprehensive cultural policies that will be relevant to our future development as a community and as a part of China.

Hong Kong has often been referred to as an international city, a metropolis of people with different religious beliefs. Hong Kong residents are free to follow their own faith, engage in preaching or other missionary work and participate in religious activities. Freedom of religion is one of our core values.

### Background

- Following the recommendations in the report of the Cultural Committee, the government set up three consultative committees in 2004, namely, the Committee on Performing Arts, the Committee on Museum and the Committee on Library.
- According to overseas experience, the formulation, coordination and implementation of cultural policy should be the responsibility of an independent authority set at a high-level. At present, the Home Affairs Bureau oversees the promotion and development of culture and arts as part of its extensive portfolio and thus, without wishing to be unduly critical, this particular policy area has not been accorded the full and comprehensive attention it deserves.

- At present, the publishing and printing industry is not included in the government's development strategy for the cultural industry, thus the importance and support it receives is less than in neighbouring places.
- Currently, the government subsidizes culture and arts mainly through recurrent funding, the Arts and Sport Development Fund and Cantonese Opera Development Fund. In 2009-10 the government allocated funds of about \$2.82 billion on general culture and arts, including funding for the Leisure and Cultural Services Department and its libraries, museums, cultural and arts performance venues, programmes and activities as well as subsidy for the Hong Kong Academy for Performing Arts, arts groups, and arts education and promotion.
- In 2010-11, the Arts and Sport Development Fund (arts portion) received \$1.5 billion as seed funding, and is expected to have an investment return of about \$60 million every year that will provide additional funding to subsidize local up-and-coming artists and small and medium-sized arts groups. Additionally, the government actively promotes and supports the development of local culture and arts through the Hong Kong Arts Development Council.
- The government has set up the West Kowloon Cultural District Authority to build and operate the West Kowloon Cultural District.
- Hong Kong residents enjoy freedom of religion. Traditional faiths of Chinese origin and religious beliefs introduced from overseas receive equal respect from the general population. This core value is robustly safeguarded.
- Religious bodies and institutions also provide a variety of services, including education, medical and health and social welfare services. Their contribution to the community is significant.

## What we need to do

- (a) We need to further enhance and enrich our spiritual well-being and cultural life, highlighting our city's charm and cohesion in society. We should actively promote the development of the cultural industry, and the government should cooperate with the community to ensure that policies and the market coexist in a mutually supportive mode. The government and the community need to complement each other in advocating diversities in cultural development.
- (b) We must accord due respect to the freedom of expression in culture and arts, protect intellectual property, affirm the contributions of artists and elevate their social status, and facilitate cultural exchanges. We should also affirm the contribution made by the publishing and printing industry and continue to give effect to the principle of freedom of publishing.

## My Policy Platform

### Setting up a cultural bureau

1. We will set up a cultural bureau to take responsibility for devising and implementing cultural policies, encouraging community participation, and drawing on successful experience of cultural development in surrounding areas and around the world to actively provide guidance and support to local cultural groups.

### Delegating authority to the 18 districts

2. We will encourage the district councils to play a more prominent and proactive role in promoting culture and arts, develop more cultural performance venues, manage them effectively and provide better cultural and arts services to the residents and promote cultural activities with a local flair. At the same time, we will also encourage prominent arts groups with the appropriate scale and performance standard to give touring performances in other districts.

### Role of schools

3. Our schools provide the foundation platform for inheriting and passing on culture and arts. We will expand the content of cultural and arts curriculum at school, strengthen the qualifications of teachers in culture and arts, and combine the curriculum with extra-curricular activities to provide diversified development.

### Increasing cultural experience activities

4. We will consider the establishment of a youth cultural and arts training centre subsidized by the government to give young people from various strata of society the opportunity to receive a diversity of arts training. Subsidy will be provided to students to give them the opportunity to attend more cultural performances, thus also increasing the demand for local arts activities.

### Form of subsidy

5. Leveraging on the existing policy framework, we will strengthen support, in particular to young artists and new arts groups, to provide more room for development and make available additional resources, and prepare for the forthcoming new operating environment at the West Kowloon Cultural District.

### Making the most of resources

6. We will encourage the business sector to participate in various cultural and arts activities, including:
  - Introducing the university matching grant format to the cultural and arts field;
  - Opening up more public space to give local artists and arts groups more opportunities to perform and exhibit their works;

- Giving priority to cultural and arts groups to use revitalized old buildings;
- Government providing incentives and incorporating cultural consideration in land leases to require developers to set aside space in commercial complexes for cultural and arts activities, mega bookstores, exhibitions and performances;
- Actively planning to open a cultural and arts media channel and promoting cultural and arts activities and programmes through the multi-media; and
- Expediting the construction of venues in the West Kowloon Cultural District, and confirming as soon as possible the mode of sustainable operation that can meet the demands of the industry, and incorporating the software installation at an early stage, and considering hosting regional and international festivals. As a special feature of the West Kowloon Cultural District, we will invite established cultural and arts performance troupe such as the Cantonese operatic companies to be resident in the West Kowloon cultural facilities.

#### **Cultural cooperation and communication**

7. We will promote the cultural exchange and cooperation between Hong Kong and other localities.
  - We will foster cultural cooperation at the regional and international levels, in particular with the Mainland which has a wealth of cultural resources in terms of heritage collections and those from the more recent creative industries, through which Hong Kong can derive much benefit.
  - We will preserve and leverage Hong Kong's advantage in freedom of expression to reach out to the whole country and overseas to foster the development of the cultural creative industry, for example, by developing a book-publishing business and turning Hong Kong into a publishing and distribution centre for Chinese language publications.
  - Other than the Hong Kong Arts Festival, we will organize local arts festivals to mobilize and tap the initiatives of people at the district level and also amongst the ethnic minorities, facilitate the local arts groups to fully play their role and deepen the community's awareness of local culture in a way that will further strengthen cohesion and a sense of belonging in the community.
  - We will provide encouragement to Hong Kong arts groups and museums to promote their cultural activities through more proactive operational models, emphasizing both content and publicity. The outcome from external communication will be used as a crucial assessment indicator, bringing into play the "Golden Triangle" model, i.e. management, programme content and promotional strength.
  - We will make further efforts to promote Hong Kong both locally and internationally as a city of culture.

#### **Cultural creative industry**

8. We will take full advantage of the opportunities offered by CEPA to access the Mainland market. We will establish working groups with relevant authorities on the Mainland to resolve any issues relating to the CEPA provisions and provide local assistance to businesses operating on the Mainland in relation to policy obstacles which they may encounter.
9. We will strengthen our support for the cultural creative industry, and broaden the scope and coverage of the "Creative Hong Kong" programme. We will assist local arts and performing groups to arrange performances on the Mainland; and help the industry to tap the Mainland and overseas markets.
10. We will provide policy support and resources for the development of local independent film making, post-filming/digital animation production. Leveraging on the Film Development Fund, we will promote the training of talents, optimize the film making environment and assist local producers to access the overseas markets.
11. We will assist the publishing industry to work with relevant stakeholders with a view to lower the publishing cost of school text books.
12. We will coordinate and support local universities and community groups in their work on documenting Hong Kong's historical cultural archive.
13. We will encourage all religious groups to strengthen moral education and enhance the quality of our communities.
14. And, recognizing our cultural heritage, we will establish commemorative days to honour Confucianism and Taoism.

## My Pledge on a Sports Policy

There was a time when sports was a pastime, a hobby to be enjoyed at one's leisure and no more. In a school setting, some might even regard sports as a distraction from the serious business of studying. On the other hand, we have seen how sports has become serious business in its own right in recent years, featured in dedicated channels on television enjoyed by a majority of viewers and energized many to pursue sporting activities to relieve the stress from long working hours.

What is important is that, enjoyment and entertainment aside, sports has its social function. It has the unique capability to bring together people of all ages, races and different backgrounds. You see this not only in vast sports stadiums at international events but also on the playing fields in local districts. The social value from that function is not to be under-estimated.

A well thought-out sports policy with the right content will raise the entire community's awareness of the value of sports to one's health and general well-being, foster a culture of competitive spirit in our youths, improve the physical and mental health of our citizens and enhance the overall quality of life.

We should consider how best to popularize sports in order to build team spirit and close affiliation with the community, and foster the spirit of fair competition in whatever we do and striving to do better in all our pursuits.

We do have outstanding athletes in Hong Kong. We should invest in the development of elite sports and help elite athletes to win greater honours for Hong Kong in the international sporting arena, raise our profile in the sporting world and strengthen the sense of identity among Hong Kong people.

We should encourage initiatives to make Hong Kong the place for major sporting events, provide support to develop sports into employment opportunities and diversified career paths for our young people.

To help our youths to have a better appreciation of the value of sports, and to incentivize their early engagement with the sport that best suits their personal physique and attributes, we should introduce them to the world of sports when they are in their formative years. Efforts should be made to generate interest in sports and make it a part of growing up and a feature in school life.

Further, it may also be beneficial to draw on the experience in the Mainland and other overseas countries in the development of sports as a component of the school curriculum and gain a better understanding on the support structure for elite athletes in schools and their eventual career paths.

## Background

### Sports for all

The Sports Commission has drawn up six major directions to promote community sports, including sports for all, the biennial Hong Kong Games, establishing closer links among major partners that promote community sports, deepening the School Sports Programme, developing sports activities with district characteristics, and providing appropriate sports for people of different ages.

### Elite athletes

Since the establishment of the Hong Kong Sports Institute, our elite athletes have come into prominence in major international events. They have repeatedly won medals in cycling, windsurfing, table tennis, badminton, BMX cycling, bowling, squash, snooker and martial arts. Notwithstanding their successes, there is controversy over support for elite athletes, including study and work arrangements after their retirement.

### The role of National Sports Associations

The Leisure and Cultural Services Department allocates funds to National Sports Associations to promote sports and athletic competitions. In 2009-2010, about \$180 million was allocated.

### Making Hong Kong the place for major sports events

To encourage local organizations to host more large-scale international sports activities, the government has set up the "M" Mark scheme and allocated matching funds to subsidize large-scale sports activities. Each activity is eligible for a subsidy of \$3 to \$5 million a year, with annual reduction in subsequent years.

## What I believe the Government should do

- The government should actively promote sports. We need to move in three directions, namely, sports for the whole community, cultivating elite athletes and making Hong Kong the place for major sports events, and to bring this to fruition resources should be increased.
- The government should provide better support for elite athletes to study and work before and after their retirement so that they can focus on training and raise their capability in competitions.

## My Policy Platform

### Structure

1. We will create a new post, the "Commissioner for Sports", and appoint a person familiar with sports to take on the position. The Commissioner will be responsible for reviewing and refining the existing sports management structure and promote development of sports across a broad spectrum.

### Provision of venues and sports for all

2. We will conduct surveys to examine the usage of sports and recreation facilities in the community to ensure that these facilities meet the needs of residents and the sports sector.
3. We will invite national sports associations and private sports clubs to take part in sports promotion activities and maximize the utilization of venues.
4. We will conduct health education and promotional activities to nurture citizens' awareness of sports and encourage residents to develop at least one kind of sport during his or her life time. We will also make greater efforts to promote sports for the elderly.
5. We will strengthen support for the training of athletes with disabilities and their participation in local and international competitions.
6. We will take steps to implement the Kai Tak Sports Stadium project.

### Professionalism – Sports as an industry

7. We will work to enhance the professional status, image and social status of elite athletes, strengthen support for study and work arrangements for elite athletes after retirement, and raise the existing level of cash awards to elite athletes.
8. We will review and improve the promotion and employment prospects of sports coaches and trainers.
9. We will develop sports into an industry with experience drawn from overseas countries. We will seek resources from the business sector and make use of other community resources to promote broad development of sports. We will encourage business organizations to sponsor athletes to represent their companies to take part in sports events or set aside funds for sports promotion.

### Hosting of major sports events

10. We will promote Hong Kong as the venue for major sports events and support national sports associations and community groups to organize more large-scale sports activities that will attract international participation. We will consider applying to host international sports events at an opportune time, including large-scale sports games and world championships for individual sporting event.

### The Sports Federation & Olympic Committee of Hong Kong, China (SF & OC) and National Sports Associations

11. We will maintain a close partnership with SF & OC and national sports associations and provide more support to sports associations and reinforce their functions and structures.

# My Pledge on Environment Protection and Conservation

The maturity of a society is measured not just by its economic achievement but also by its appreciation of the broader environment which allowed that achievement to be attained, and, more importantly, sustainable. It is the common duty of everyone who treasures what we now have to protect the ecology. Each of us must do our part to ensure that what Mother Nature has bestowed upon us does not wither away out of neglect, or, worse, destroyed in the name of development.

For us in Hong Kong, we should conserve and protect our natural scenery, the flora and fauna which populate our hills and valleys, and the diversified ecosystems which support their existence. It is also incumbent upon us to pass on this precious heritage that enriches the life of Hong Kong people to future generations.

There was a time when people thought that our planet could provide mankind with inexhaustible sources of energy. Now, after two centuries of economic growth and energy-draining industrial development, even the most ardent followers of that thinking are beginning to realize that energy reserves could one day be exhausted if we do not now take steps to rein in the rate of depletion. As global citizens, we must strive to promote energy-saving measures, reduce the emission of greenhouse gases and other pollutants which threaten our health and damage the ecology. We must play our part in the global initiative to ensure sustainability of our environment.

In our quest to build a sustainable modern city, we need to strike a balance between economic and social developments on the one hand and preservation of a 'green' environment on the other, making Hong Kong worthy to be named as an international metropolis. We also need to realize that life revolves around buildings of the day and older buildings are expressions of our historical inheritance, and preserving them would help us to know and understand the history and culture of Hong Kong.

## Where we are now

There are not many who would dispute the adverse effects of substandard air quality in our city. It has affected the general health of our residents and the image of our city. The rapid growth of solid waste has rendered our landfills insufficient to meet the demand within the next few years. The plan to expand landfills is long overdue, and the proposal to build incinerators is also beset with difficulties selecting the best technology and in identifying sites.

When a developmental model is economy-led and influenced by economic considerations, there is no earnest concern about energy wastage and damage to the ecology. To achieve sustainable development, we must radically change the way we use and consume energy.

Over the years, many of our fine vintage buildings with historical significance were demolished to make way for newer constructions. Some of these constructions were probably necessary to provide infrastructures and public facilities. However, it has also become evident that the distribution and manner of construction of some of the new buildings have contributed to environmental issues which we now face and the need for conservation has become more urgent.

## What needs to be done

- (a) We should re-examine our environmental protection policy from the perspective of sustainable development, take effective measures to provide a high quality living environment for the community and build Hong Kong into a modern livable city;
- (b) In response to the global concerted action to mitigate climatic change, we must study and set a target for reducing the emission of carbon dioxide by 2020 and devise an all-round action plan;
- (c) We need to reinforce public education, raise the entire community's awareness of environmental protection and make concerted efforts to discharge our duty as global citizens; and
- (d) Given that conservation is crucial to sustainable development, we should not undertake development solely for economic gains. Instead, we should give clear consideration to conservation in our city planning and establish a practical and workable mechanism for conservation.

## My Policy Platform

### Sustainable development – taking it seriously

1. We will devise a sustainable development policy framework taking into account economic, social and environmental concerns, and strengthen the coordination and co-operation among policy bureaux when planning and implementing relevant policies.
2. We will elevate the standing and review the establishment of the Sustainable Development Division and strengthen support for the work of the Council for Sustainable Development in presenting more comprehensive and forward-looking proposals to the Chief Executive, especially on the low-carbon reform strategies.

### **Air quality**

3. To safeguard residents' health, we will adopt the World Health Organization's Air Quality Guidelines as the long-term goal. We will use administrative and legislative means to implement the updating of the short-term Air Quality Objectives recently announced by the government, including the coverage of fine suspended particulates (PM<sub>2.5</sub>). We will study and set medium and long-term objectives, and further adopt diversified measures to reduce local air pollutant emissions to improve air quality to a level that can meet the new objectives. As well, the Air Quality Objectives will be regularly reviewed and updated.
4. We will support measures, through education, use of technology, regulation and incentives, to encourage popularization of motor vehicles which achieve low-energy consumption and low pollution.
5. We will undertake a study on how to enhance the traffic and transport systems, based on the policy of mass carriers as the backbone, to reduce vehicle gas emissions generated from congested roads and improve roadside air quality.
6. We will implement the guidelines to facilitate better air circulation in congested districts in city planning as stipulated in the Hong Kong Planning Standards and Guidelines, and reduce the accumulation of pollutants.
7. We will implement the regulation of fuel standards of the shipping industry and reduce pollutants emitting from vessels.

### **Solid waste**

8. We will adopt policies based on reduction of waste at source to ease the demand for more landfills and incinerators. Where necessary, we will adopt new technology and coordinate their construction with provision of other community facilities.
9. We will implement proposals to reduce, recycle and properly treat waste and promote development of the recycling industry. We will implement the Waste Producer Responsibility Scheme, and progressively extend the coverage of the Product Eco-Responsibility Ordinance. We will also encourage all industries to adopt voluntary recycling programmes, and, subject to public consultation, introduce a waste charging scheme.
10. We will promote domestic food waste reduction, encourage the business and industrial sectors to undertake sorting of their waste at source, build more organic waste recycling and treatment facilities, and encourage the full use of recycled resources such as compost.

### **Natural environment conservation**

11. We will examine the 2004 Nature Conservation Policy in accordance with the Convention on Biological Diversity and formulate a comprehensive package of nature conservation policies in line with new circumstances. We will also compile an endangered species register and draw up corresponding protective measures.
12. We will refine the conservation and development of our country parks, extend coastal parks by phases, and develop other kinds of reserves to expand the ecological capacity of Hong Kong.
13. We will take steps to protect outstanding natural scenery as one of our nature conservation objectives, identify places of high scenic value in the territory and adopt appropriate protective measures.
14. We will review the integrated social values of the agricultural industry in Hong Kong from the perspective of ecological landscape and 'Green Hong Kong' and set up an inter-departmental working group to formulate policies to promote and support new-age multi-functional agricultural activities on land suitable for agriculture.
15. We will affirm the integrated social value of Hong Kong waters, establish a fund to provide Hong Kong fishermen with skills and training to replace traditional fishing with new methods of sea-based operations, and promote the sustainable usage of Hong Kong waters.

### **Energy and climate change**

16. We will actively promote a low-carbon economy, draw up and conduct long-term energy-saving campaigns, and raise various sectors' awareness of energy saving, in particular to cut down the overall power consumption in our city so as to reduce the need to build new power generation facilities.
17. We will co-operate with professional organizations, district and industry groups to devise options to reduce energy consumption for various sectors such as residential, commercial, industrial and transport, and implement these options by way of diversified measures such as education, use of technology and incentive policies.
18. We will introduce regulation on outdoor lighting to reduce energy consumption and alleviate the nuisance caused by light pollution.

### **Revitalising historic buildings**

19. We will give due consideration to conservation in undertaking town planning. We will place emphasis on integrating conservation with city planning and its impact on the outlook, functions and life in the community. Appropriate attention will also be given to local districts which have unique cultural or historical characteristics.

20. Historical buildings, streets and alleys, and neighbourhoods with special features will be designated as a specified category in the Outline Zoning Plans. They will be accorded statutory protection when the relevant area or district is being re-vitalized or re-developed.
21. We will formulate guidelines and establish relevant mechanisms and encourage the civil society to participate in the revitalization of historic buildings. The government will provide assistance in identifying ways and means to develop the buildings' new social functions, and will maintain allocation of funds to the Development Bureau to continue with the Revitalising Historic Buildings Through Partnership Scheme.
22. We will establish a mechanism to preserve important historic buildings which are privately owned and consider land exchange and transfer of plot ratio in return for ownership.

**Leading by government, participation by entire community, and regional cooperation**

23. We will plan and promote low-carbon reforms in Hong Kong, including transforming old buildings, designing new energy efficient buildings, popularizing renewable energy installations (such as solar-powered hot water systems and installing solar-powered or small wind-powered electricity generation installations in schools, public facilities and housing estates). We will advocate low-carbon energy-saving living, promote low-carbon and low-emission transport system, and reinforce public education in this regard.
24. Through public education, legislation, scientific research and incentive policies, we will promote participation by the entire community in the reduction of energy consumption and waste reduction. We will implement measures to heighten residents and industries' awareness of environmental protection and conservation.
25. We will step up cooperation with Guangdong Province and Macau SAR on quality of air and water, energy and ecology. We will tackle cross-region pollution problems at source, and establish a monitoring and coordination system, as well as a contingency and reporting mechanism for major incidents.
26. We will engage the community in environmental protection and conservation through public consultations, reviews, seminars, workshops and direct dialogue with stakeholders.





## My Pledge on Administrative and Political System

### Guiding Thoughts

To govern effectively, the government must above all abide by the law, uphold justice, safeguard the rights of the people of Hong Kong and facilitate social and economic development.

To garner the support of the people, the government needs to be service-oriented, setting the stage for residents to live and work in a stable environment which is the pre-requisite to achieving social harmony.

The political appointment and accountability system should be affirmed and further developed to enhance the legitimacy of the government.

An effective administration is predicated upon achieving administrative efficiency, fostering a co-operative relationship between the executive and the legislature, and encouraging greater public participation.

In a modern society, the government does more than just govern. Our government must, therefore, establish a partnership relationship with the citizens of Hong Kong, enhance mutual recognition and jointly contribute towards the construction of our society.

Our country, China, is at the forefront of global development. Leveraging on that advantage, we should adopt a global and all-round perspective in our vision and harmonize with our country's development to map out the future direction for Hong Kong.

Going forward, policies should be formulated from a sustainable development perspective. There is a need to balance the interests of the community as a whole and those of the individual or of a sector, and properly address the correlation between short-term measures and long-term plans.

Prudent financial management is a requirement under the Basic Law. The government has a responsibility to maintain sufficient fiscal reserves to provide for any unexpected turn of events. It is also necessary to ensure the stable development of society in a manner that could withstand short-term economic fluctuations.

The political construct of the Hong Kong SAR is without precedent, any time anywhere, and the concept of *"One Country, Two Systems"* bewildered many a political theorists when it was first introduced to the world. Hong Kong's political system will continue to evolve and development of a democratic political system should be in accordance with the provisions of the Basic Law and the relevant decisions of the Standing Committee of the National People's Congress.

## The Present Situation

- Senior officials of the government no longer occupy ex-officio seats on the Legislative Council. Put in another way, the executive authorities have no vote in the Council and passage of legislative measures is the prerogative of elected members.
- Since reunification, we have been following the guiding principle of *"Hong Kong people administering Hong Kong"* with a high degree of autonomy. The government also discharges its duties with a like degree of autonomy. Consistent with open government, the community has higher expectations from the government, thus increasing the workload of the policy bureaux, and it has become clear that the organizational structure and staff establishment is under strain to cope with the amount of work required.
- At present the Executive Council meets every week, less than 40 times a year. Each meeting lasts no longer than one morning. The role of non-official members of the Executive Council is essentially passive. The bills and policies submitted by the government to the Executive Council for discussion have generally taken shape following detailed consideration by the relevant bureau or department and there is limited room for amendment by non-official members.

## What we must do and firmly bear in mind

- (a) We must uphold the core values of Hong Kong, namely, human rights, liberty, rule of law, democracy, equality and justice. We must also respect press freedom and support independence of the media and unbiased journalism.
- (b) We must earnestly implement the concept of *"One Country, Two Systems"* and follow the principle of *"Hong Kong people administering Hong Kong"* with a high degree of autonomy. Whilst safeguarding our country's interests, we should properly address the relationship between *"One Country"* and *"Two Systems"* and promote the common development of Hong Kong and the Mainland.

- (c) Putting people first, the approach should focus on Hong Kong's overall long-term interests, keep track of the community's sentiments, ensure that policies accord with the social situation, adhere to public aspirations and respond to changing circumstances.
- (d) Officials under the accountability system and the civil service must have a common goal, share a sense of unity, maintain effective division of work and ensure co-ordination in the delivery of service.
- (e) To progress as a community, we must strengthen unity and cohesion between different sectors of society, including political groups and the civil society.

## My Policy Platform

### Accountability system and nurturing political talents

1. We will expand the accountability system, establish echelons and tiers to encourage young talents to pursue a career in politics through political appointments, thereby building a reserve of talents and securing the high quality in human resources needed to sustain an effective and efficient administration.
2. Political appointees' remunerations should reflect their ability and experience. Their work should be of substance and subject to open public scrutiny.
3. We will consider ways and means to improve the "revolving door" system to promote the mobility of political talents.
4. Officials under the accountability system and other public officers will be encouraged to broaden their horizon beyond the boundary and overseas, strengthen their theoretical and other knowledge, including economics, ethics, political philosophy, basic jurisprudence, sustainable development, public relations and policy advocacy skills.
5. The pivotal role of civil servants in our system of administration is affirmed. The division of work between civil servants and officials under the accountability system will be properly demarcated, differentiating between political and administrative accountability.

### Executive authorities

6. Representatives from the community will be engaged and invited to join the inter-departmental committee on economic development led by the Chief Executive to map out the strategy for development of the overall economy and specific industries.
7. We will streamline the division of work and co-operation between different policy bureaux and ensure that professionals and generalists under their respective establishments are effectively and appropriately deployed.

8. We will consider the creation of deputy posts to share the workload of the Chief Secretary for Administration and the Financial Secretary. Under their purview, we will strengthen the co-operation between Hong Kong and the Mainland in diverse fields and actively plan for the economic and social developments in Hong Kong, including financial innovations, tourism promotion, population policy and retirement protection, as well as stepping up co-ordination among different bureaux in formulating and implementing policies.
9. We will set up a school of administration to establish a system and instil a culture of on-the-job learning for public officers. We will also encourage local political talents, including political party members and assistants to elected members of the Legislative Council and District Councils, to participate.

#### **Executive authorities**

10. We will reinforce the functions of the Executive Council, enhance participation by non-official members to maximize the deployment of their expertise and encourage formal discussions on strategic issues in diverse policy areas. We will also garner proposals and views at the early stages of policy formulation and legislative bills and increase the number and length of meetings. The power vested in the Executive Council at present to give approval to some policy issues can be considered for delegation.
11. We will consider appointing non-official members of the Executive Council to head important consultative committees and statutory bodies which focus on specific policy areas such as the Housing Authority, the Education Commission, the Social Welfare Advisory Committee, the Hospital Authority and the Securities and Futures Commission. These non-official members would also assist in explaining the policies when they are rolled out to the community.

#### **District administration**

12. We will strengthen the district councils and empower the District Officers to co-ordinate the work and services provided by government departments in the local districts, including leisure and culture facilities, environmental hygiene, building safety, building management and transport facilities. The objective is to address district issues at the district level and capitalize on local opportunities.
13. We will enhance the functions of the district councils to facilitate, complement and monitor the work of executive departments at the district level. The district councils will also be charged with the responsibility to promote community integration and harmony and cultivate a culture of care and mutual help.

#### **Civil servants**

14. The civil service is the backbone of the administration. We will foster a new partnership culture among the political appointees and civil servants. Effectiveness is the basic yardstick for assessing the performance of public service. The political appointees need to be decisive in policy making, and support civil servants charged with the responsibility in implementing the policies.
15. Based on the government's key work areas in the next five years, we will appropriately increase the staff establishment and strength of relevant departments to cope with the additional workload.
16. We will narrow the remuneration gap between civil servants and the Non-Civil Service Contract (NCSC) staffs and allow those NCSC staff fit for respective civil service posts to join the civil service.
17. We will strengthen the exchanges and co-operation between Mainland and Hong Kong civil servants and promote mutual awareness and better understanding of the respective systems and cultures.

#### **Policy-making**

18. We will step up our efforts on policy research, and ensure that our policy-making process will be knowledge-based, substantiated by facts and scientifically conducted. We will formulate action plans and conduct outcome evaluation to ensure the effectiveness and continuity of policies. We will also co-operate with universities and community think tanks in Hong Kong and elsewhere to study policies with long-term impact or involve cross-boundary issues.
19. We will examine the hierarchy, organization and effectiveness of the existing consultative committees and recruit more members from the political parties and the younger generation to serve on the committees, as well as enhance the transparency of the work of the committees.
20. We will ensure that policy bureaux forge closer links with the community, have a better grasp of the sentiments in society and take account of public opinion in the course of their work.

#### **Public finance**

21. We will maintain a low-tax approach in our fiscal policy, follow the principle of keeping expenditure within the limits of revenue and strive to achieve a fiscal balance in accordance with the provisions of the Basic Law.

22. We will make proper use of the fiscal reserves to invest in four areas: (a) financial investment to seek returns to supplement recurrent expenditure; (b) social investment such as building more homes for the elderly and people with disabilities and improving air quality; (c) economic investment such as building the third runway at the airport and providing seed money for new industries; and (d) setting aside funding to meet future expenditures arising from the ageing population such as medical and healthcare expense and pension payments.

#### **Constitutional development**

23. In accordance with the "Five Steps" specified by the Standing Committee of the National People's Congress (NPCSC), we will reform the 2016 Legislative Council functional constituency elections and expand the electorate to enhance the representativeness of the members, making them more accountable to the community at large.

24. In accordance with the stipulations in the Basic Law, the decision of the NPCSC, and the specified "Five Steps", we will engage the public and seek to gain the support of the Central Government and the Legislative Council so that universal suffrage for the Chief Executive election in 2017 will be achieved. By achieving this, we lay the groundwork for the 2020 Legislative Council election by universal suffrage.

25. We will abolish all the appointed seats of the District Councils in 2016.



The writing of this Manifesto was marked by several unique features:

1. This Manifesto represents the joint efforts of experts and practitioners in the various policy areas, distinguished scholars, and members of the campaign team. It has amassed the collective wisdom and experience of all those involved in the process and reflected our expectations of a better future.
2. Consultation drafts of different segments of the Manifesto were issued in stages from December 2011 onwards, which allowed us sufficient time to engage the relevant stakeholders and the general public during our campaign tours to various districts across the territory and take into account their views and suggestions in the course of drafting. By so doing, we were able to honour our promise to join hands with the community in drafting this Manifesto with "*One Heart*" and "*One Vision*".
3. Throughout this process, the importance of consulting and listening to different views really came home to me. We heard not just demands or pleas but also constructive criticisms, amply reminding us of the wisdom that resides in the community - in the various neighbourhoods, the local businesses and within different strata of society. They were the voices of the middle-class in Wanchai, the entrepreneurs on Lantau Island and our cleaner friends in Tuen Mun. I shall continue to reflect upon these views as I seek improvement to my future work.
4. The numerous views and suggestions were carefully analyzed, thoroughly discussed by all those involved in the exercise and enriched our deliberations. The entire process was conscientiously and rigorously undertaken and the proposals in this Manifesto were feasible and practicable.

No words are enough to express my gratitude to my campaign team for their unremitting efforts, and the many experts, scholars, and former officials for their selfless contributions to this important task. More importantly, I must thank members of the public for their participation. The drafting process became not only the agglomeration of the mind and wisdom of many but also the cohesion of many hearts. I truly believe that this is the right path to follow in our service to society.

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