

Improving Livelihood Building for the Future

Report on the Work of
the Current-term Government
in its Fourth Year

July 2016

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Economy

- In the first quarter of 2016, Gross Domestic Product (GDP) grew by 0.8% year-on-year in real terms. Inflation was moderate, with underlying inflation rate at 2.6% in the first 5 months of 2016.
- Labour market held largely stable. The unemployment rate was at a low level of 3.4%, with earnings sustaining real improvements. Average employment earnings of full-time employees in the lowest three decile groups grew by 5-6% year-on-year in February-April 2016, translating into real improvements of 2-3% after discounting inflation.
- Hong Kong's competitiveness in overall terms remains among the highest in the world, despite recent economic slowdown in the face of external headwinds. Hong Kong was ranked the world's freest economy for the 22nd consecutive year, and regained the top position in the latest World Competitiveness Yearbook by the International Institute for Management Development.
- Our financial services industry has continued to develop and thrive. Shanghai-Hong Kong Stock Connect has been operating smoothly since its launch in November 2014. To move towards fuller mutual access for the capital markets of the two places, we have discussed with the Central Government the launch of Shenzhen-Hong Kong Stock Connect.
- As at end April 2016, Renminbi (RMB) deposits and outstanding RMB certificates of deposit totalled RMB 830.3 billion, accounting for about 50% of the global offshore pool of RMB liquidity. In the first four months of 2016, the average daily turnover of Hong Kong's RMB Real Time Gross Settlement system amounted to about RMB 900 billion.
- In July 2015, the mutual recognition of funds arrangement between the Mainland and Hong Kong was implemented. Under the arrangement, qualified Mainland and Hong Kong funds may offer directly to the public in each other's market after obtaining authorisation or approval under streamlined procedures. There has been positive response from the market since the implementation of the arrangement. As of mid-June 2016, 43 funds have been authorised or approved for public offerings in Hong Kong or the Mainland.
- Starting from July 2015, profits tax exemption for offshore funds has been extended to private equity funds to attract more of them to set up and expand their business in Hong Kong. In June 2016, the Legislative Council (LegCo) passed the Securities and Futures (Amendment) Bill

2016, introducing a new open-ended fund company structure to provide extra fund structure option and diversify Hong Kong's fund domiciliation platform.

- In November 2015, the Clearing and Settlement Systems (Amendment) Bill 2015 was passed by the LegCo. It empowers the Hong Kong Monetary Authority to regulate stored value facilities and retail payment systems with a view to strengthening financial stability and user protection, as well as to fostering innovation of the payment industry.
- In March 2016, the Deposit Protection Scheme (Amendment) Bill 2015 was passed by the LegCo. A gross payout approach for the determination of compensation is adopted, enabling a speedier payout when the Deposit Protection Scheme is triggered.
- In May 2016, the Inland Revenue (Amendment) (No. 4) Bill 2015 was passed by the LegCo to enable the deduction of interest payable on money borrowed by a corporation carrying on in Hong Kong an intra-group financing business, introduce a concessionary profits tax rate for qualifying corporate treasury centres, and clarify tax treatments in respect of regulatory capital securities issued by banks in compliance with Basel III capital adequacy requirements.
- In May 2016, the Mandatory Provident Fund Schemes (Amendment) Bill 2015 was passed by the LegCo to introduce a fee-controlled Default Investment Strategy (previously called "Core Fund") to address the concerns over "high fees and difficulty in making choices" in some Mandatory Provident Fund schemes.
- In May 2016, the LegCo passed the Companies (Winding Up and Miscellaneous Provisions) (Amendment) Bill 2015 which would modernise the corporate winding-up regime, increase protection of creditors, and further streamline and enhance the integrity of the winding-up process.
- The Government introduced an array of measures to facilitate the development of financial technologies (Fintech) in Hong Kong, including dedicated platforms established by regulators to enhance communication with the Fintech community; setting up a dedicated team under Invest Hong Kong to assist start-ups, investors and research and development institutions to establish their operations in Hong Kong; rolling out programmes through Cyberport to nurture talents and support Fintech start-ups; and encouraging financial institutions to develop and apply Fintech.
- In November 2015, the HKSAR Government and the Ministry of

Commerce signed the Agreement on Trade in Services under the framework of CEPA to basically achieve liberalisation of trade in services between the Mainland and Hong Kong. The Agreement is a new milestone for the continuous liberalisation of trade in services between the two places through CEPA over the years.

- To strengthen economic and trade co-operation with emerging markets, the Chief Executive led a delegation to Israel in October 2015, and a business delegation to India in February 2016 during which it was announced that Hong Kong and India would launch negotiations of an Investment Promotion and Protection Agreement (IPPA). The Secretary for Commerce and Economic Development also visited Chile and Mexico in August 2015, during which it was announced that Hong Kong and Mexico would launch negotiations of an IPPA. The two sides held the first round of negotiations in May 2016.
- In February 2016, Hong Kong signed an IPPA with Canada.
- In April 2016, Hong Kong concluded negotiations of an IPPA with the United Arab Emirates.
- In June 2016, Hong Kong completed the 7th round of free trade agreement negotiation with the Association of Southeast Asian Nations (ASEAN), and the negotiation is planned to be concluded within 2016.
- In December 2015, the Competition Ordinance came into full effect to help promote competition in the market, enhance economic efficiency, and benefit businesses and consumers.
- Extend the application period of the special concessionary measures under the SME Financing Guarantee Scheme to the end of February 2017; reduce the annual guarantee fee rate by 10% and remove the minimum guarantee fee. As at the end of May 2016, over 10,900 applications have been approved, involving a total guarantee amount of over \$35.3 billion.
- Further to the announcement in February 2015 that a series of measures would be launched on a pilot basis in the following three years to support the sustained development of the fashion industry, plans were unveiled in 2016 to strengthen the promotion of local fashion designers and emerging fashion brands; establish an incubation programme for fashion designers; and set up a resource centre to provide technical training and support for young designers.
- In May 2016, \$400 million was further injected into the CreateSmart Initiative to provide sustained support to the development of creative

industries, especially start-up and talent nurturing.

- In November 2015, the Film Production Grant Scheme under the Film Development Fund was launched to subsidise film productions with a budget not exceeding \$10 million.
- In the “13th Five-Year Plan” promulgated in March 2016, the chapter dedicated to Hong Kong and Macao supports Hong Kong to participate in the Belt and Road Initiative, as well as for the first time expressly supports Hong Kong to establish itself as a centre for international legal and dispute resolution services in the Asia Pacific region.
- In May 2016, the Government and the Trade Development Council organised the inaugural “Belt and Road Summit”, with the Ministry of Foreign Affairs, the National Development and Reform Commission and the Ministry of Commerce of the People’s Republic of China, as well as the People’s Bank of China, as supporting bodies. The Summit attracted the participation of over 2,400 political and business leaders from various countries.
- To complement the Belt and Road Initiative, the Department of Justice has been actively promoting Hong Kong’s international legal and dispute resolution services in countries and regions along the routes of the Belt and Road. The Department of Justice has led delegations to Jakarta (Indonesia) and Lima (Peru) respectively in September 2015 and February 2016 to promote Hong Kong’s international legal and dispute resolution services. The workshop held in Peru was organised by the Department of Justice in collaboration with the United Nations Commission on International Trade Law as one of the events during the meeting of the Asia-Pacific Economic Cooperation.
- The Department of Justice is considering making amendments to the relevant legislation (including the Arbitration Ordinance (Cap. 609)). By clarifying that disputes over intellectual property rights are capable of resolution by arbitration and related matters, more parties will be attracted to come to Hong Kong to resolve their intellectual property disputes by arbitration. The Department of Justice has already consulted relevant stakeholders about the relevant proposal and will seek to commence the relevant legislative exercise as soon as possible.
- The Steering Committee on Mediation led by the Secretary for Justice has conducted the second round public consultation on the proposal to enact an apology legislation, and will seek to make the final recommendations and commence the legislative exercise as soon as possible.

- Further expanded the network and enhanced the functions of Mainland Offices in 2016. The Economic and Trade Office in Wuhan set up a liaison unit in Hunan in May 2016 and plans to set up another liaison unit in Henan in the same year.
- Announced in early 2016 the adoption of the New Agriculture Policy for promoting the modernisation and sustainable development of local agriculture, and meeting public aspirations favouring the balanced development of Hong Kong. Major measures include establishing an Agricultural Park of 75-80 hectares, setting up a Sustainable Agricultural Development Fund (SADF), and conducting a consultancy to examine the feasibility of identifying and designating agricultural priority areas. In May 2016, the LegCo approved a commitment of \$500 million for establishing the SADF.

Innovation and Technology

- Established in November 2015, the Innovation and Technology Bureau will promote the development of innovation and technology (I&T), so as to drive the transformation of our economy, develop high value-added industries, create diversified employment opportunities, and improve people's quality of living.
- Announced in the first quarter of 2016 that over \$18 billion would be allocated to roll out a broad range of initiatives to promote the development of I&T on all fronts, including developing high value-added I&T industries, encouraging universities and private enterprises to conduct research and development, providing support to I&T start-ups, facilitating small and medium enterprises to upgrade or transform business processes, building Hong Kong as a connected smart city, nurturing I&T talents, and improving the quality of living through I&T, etc.
- In November 2015, the Massachusetts Institute of Technology of the United States announced the establishment of its first overseas Innovation Node in Hong Kong. The Karolinska Institutet of Sweden also set up in Hong Kong its first overseas research facility, which will commence operation at the Science Park in 2016.
- In April 2016, organised the inaugural “Internet Economy Summit” to explore future development directions and strategies for the Internet economy, covering various topics such as the impact of global innovation and technology trends on business strategy, opportunities arising from big data and IoT, “Internet+”, insights on Internet-driven economic growth, etc.
- In March 2016, the concessionary scheme to encourage the development of data centres in industrial buildings and industrial lots was extended to promote the development of data centres in Hong Kong to meet industry demand.

Housing and Transport

- In December 2015, published the Long Term Housing Strategy Annual Progress Report 2015. Based on the latest projection, the Government has adopted a total housing supply target of 460,000 units for the ten-year period starting from 2016-17. The public housing supply target is 280,000 units, comprising 200,000 Public Rental Housing (PRH) units and 80,000 Subsidised Sale Flats (SSFs), whereas the private housing supply target is 180,000 units.
- For the 5-year period starting from 2015-16, the estimated total public housing production from the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HKHS) is about 97,100 units, including about 76,700 PRH units and about 20,400 SSFs. The estimated total public housing production in the 5-year period starting from 2015-16 is higher than that in each of the previous three 5-year periods. Besides, as an one-off exercise, the Urban Renewal Authority (URA) provided more than 300 SSFs in 2015-16.
- In August 2015, HA launched a new round of the interim scheme to allow 2,500 eligible White Form applicants to purchase subsidised sale flats in the Home Ownership Scheme (HOS) Secondary Market with premium not yet paid.
- In early 2016, pre-sale of the second batch of about 2,700 newly-built HOS flats and about 1,000 SSFs of HKHS was launched.
- Since March 2016, the URA commenced a number of large-scale redevelopment projects in Kowloon City based on a holistic and district-based approach. In addition to providing a total of about 2,820 residential flats upon completion in 2025-26, these projects will also bring about planning and social gains and enhance the road network in the Kowloon City district. Besides, URA awarded tenders for five redevelopment projects in Ma Tau Kok, Sham Shui Po, Shau Kei Wan and Tai Kok Tsui between July 2015 and June 2016, which can provide about 680 flats in total.
- In early 2016, URA launched the sale of 338 units of its development at Kai Tak for subsidised sale flat (SSF) purpose. About 96% of the SSF units have been sold.
- The Government is studying the feasibility of developing public housing in Pokfulam (including the existing Wah Fu Estate), which are estimated to provide about 11,900 additional public housing units. The Government

will submit a rezoning proposal to the Town Planning Board for consideration in the second half of 2016. If all procedures are smooth, the first batch of reception units for the redevelopment of Wah Fu Estate can be completed in 2024.

- With the continuous supply of housing land by the Government, the medium-term supply of private housing has significantly increased. As at end March 2016, the projected supply from the first-hand residential property market for the coming 3 to 4 years is approximately 92,000 units, a record high since the first release of the quarterly statistics on supply in September 2004.
- Based on the preliminary assessment of private residential developments known to have commenced or to be commenced on disposed sites as at end 2015, it is expected that about 18,200 and 17,930 private residential units will be completed in 2016 and 2017 respectively.
- In April 2016, the Hong Kong Maritime and Port Board was established to assist the Government in devising maritime and port-related development strategies and initiatives, with a view to enhancing Hong Kong's status as an international maritime centre.
- In December 2015, a 3-month public engagement exercise for the Electronic Road Pricing Pilot Scheme in Central and its Adjacent Areas was launched. The Government will engage a consultant to carry out an in-depth feasibility study to develop detailed options for public discussion.
- In January 2016, announced that subsidies would be provided to franchised bus companies to expedite the installation of seats and real-time arrival information display panels at covered bus stops for the convenience of the elderly and other passengers (subsidies for the panels will be on a matching basis). Installation is expected to begin in phases from the second half of 2016.
- The Government and the MTR Corporation Limited (MTRCL) decided to advance by one year a joint review on the Fare Adjustment Mechanism (FAM). The target is for the new FAM to take effect in 2017. The main direction is for the operation of the mechanism to better respond to public concern on the relationship between fare adjustment and MTRCL's profitability as well as passengers' affordability, whilst respecting the financial prudence required of the Corporation as a listed company.
- To plan 7 new railway schemes in accordance with the Railway Development Strategy 2014. Having regard to the indicative implementation window recommended in the Strategy, we have invited

the MTR Corporation Limited to submit proposals for the implementation of the Northern Link (and Kwu Tung Station), the Tuen Mun South Extension and the East Kowloon Line.

- Strive to commission the Kwun Tong Line Extension and the South Island Line (East) in 2016, and continue to take forward the Shatin to Central Link and the Hong Kong Section of Guangzhou–Shenzhen–Hong Kong Express Rail Link projects.
- In June 2016, funding approval was obtained from the LegCo for the construction of the Tseung Kwan O-Lam Tin Tunnel. It is anticipated that the project will be completed in mid-2021.
- As announced in the 2016 Policy Address, the Government will implement a new incentive measure using Kowloon East as a pilot area, i.e. waiving the land premium for lease modification for provision of the pedestrian links to help achieve a comprehensive pedestrian network for the overall benefit of the community.

Land Development

- The 2014 Policy Address announced that 150 potential housing sites had been identified. Most of them could be made available in the 5 years of 2014-15 to 2018-19 for housing development, capable of providing over 210,000 flats (over 70% for public housing). As at mid-June 2016, 53 sites had completed the statutory plan amendment processes and are estimated to provide a total of about 66,100 flats (over 50% for public housing). The statutory plan amendment processes for another 15 sites have also commenced, and would upon completion provide an estimated total of about 17,700 flats.
- Apart from the some 150 sites mentioned above, as part of the land supply initiatives under the multi-pronged approach announced in the 2013 Policy Address, another 42 sites had been identified for residential use in the short to medium term, which were estimated to provide a total of about 39,900 flats (about 24,200 for public housing). As at mid-June 2016, the statutory plan amendment processes for 38 of these sites, where required, had been completed, and these sites are estimated to provide about 39,300 housing units (about 24,200 for public housing). The statutory plan amendment processes for the remaining 4 sites have commenced, and would upon completion provide an estimated total of about 600 housing units. The rezoning of about 40 sites in 2016-17 is estimated to provide over 70,000 flats (about 90% for public housing).
- Continued to increase the development intensity of housing sites as appropriate where planning terms permit to increase the flat supply. Since the inauguration of the current-term Government, the Town Planning Board had, as at end-May 2016, approved applications to relax the development intensity of 42 housing sites, creating an additional supply of about 7,850 flats.
- In 2015-16, the Government sold a total of 14 residential sites under the Land Sale Programme, with a capacity to produce about 8,940 private residential flats. Together with other sources of private housing land supply (including railway property development projects, projects of Urban Renewal Authority (URA) and private redevelopment/development projects), the aggregate land supply had an estimated capacity to produce about 19,870 private residential flats, exceeding the land supply target of 19,000 private residential flats set for that year. This is the second highest outturn since the Government introduced a private housing land

supply target in 2010, and for the second consecutive year, the outturn has exceeded the supply target.

- In the 2015-16 Land Sale Programme, 3 business sites, which are capable of providing about 67,800 square metres of floor area, were sold. Since July 2012, a total of 13 commercial/business sites, capable of providing about 454,000 square metres of floor area, have been sold. The 2016-17 Land Sale Programme includes 8 commercial/business sites, capable of providing about 536,000 square metres of floor area.
- In 2015-16, the Government continued to increase the supply of commercial floor space through different channels, including the sale of the Trade and Industry Department Tower in Mong Kok for commercial use in February 2016, providing about 26,400 square metres of floor area; undertaking relevant procedures to convert the Murray Road Multi-storey Carpark in Central to commercial use, providing about 42,000 square metres of floor area, with tendering planned for 2016-17; and rezoning the Queensway Plaza site for redevelopment, providing about 93,000 square metres of floor area. We are also consulting the District Council and relevant stakeholders on the preliminary development scheme for the redevelopment of Government sites at Sai Yee Street and Mong Kok East Station, where an estimated commercial floor area of about 125,000 square metres can be released.
- The Pilot Scheme for Arbitration on Land Premium was launched in October 2014 to facilitate early agreement on land premium payable for lease modification/land exchange applications, with the objective of expediting land supply for housing and other uses. Up to end May 2016, one case proceeded to arbitration and was concluded in December 2015.
- In January 2016, the Lantau Development Advisory Committee (LanDAC) submitted to the Chief Executive its First-term Work Report titled "Space for All" covering mainly 5 aspects of proposals : spatial planning and land use, conservation, strategic traffic and transport infrastructure, recreation and tourism, and social development. The Government, in collaboration with LanDAC, subsequently conducted public engagement activities from January to April 2016 on the above proposals. The Government will draw up a new blueprint for Lantau Development and Conservation in 2016/17.
- A range of district works and short-term improvement measures in Lantau have already been implemented as scheduled. The first phase of measures on relaxation of tour coaches and private cars entering closed

roads in south Lantau was implemented in December 2015 and February 2016 respectively. The improvement works for narrow road bends in south Lantau will also be completed progressively.

- In September 2015, Stage 1 Community Engagement for the study on commercial development and other land uses for economic activities at the topside of Hong Kong Boundary Crossing Facilities Island of the Hong Kong-Zhuhai-Macao Bridge was completed. As revealed in the preliminary findings of the study, the total gross floor area for development could be up to 500,000 square metres. The community engagement exercise on the draft Recommended Outline Development Plan, drawn up based on the study result, will be conducted in the second half of 2016.
- We are striving to obtain funding approval from the Legislative Council on commencing in 2016/17 studies for constructing artificial islands in the central waters between Hong Kong Island and Lantau for the development of an East Lantau Metropolis as the Hong Kong's third core business district and a long-term strategic growth area, which can be an option to meet the social and economic development needs of Hong Kong beyond 2030.
- Given the critical role of Lantau in Hong Kong's sustainable development, we are preparing to establish a dedicated multi-disciplinary Lantau Development Office under the Civil Engineering and Development Department to take forward the development and conservation items at Lantau and adjacent outlying islands.
- Kai Tak Fantasy (KTF) is positioned as a world-class tourism, entertainment and leisure attraction. With reference to the winning scheme of the KTF International Ideas Competition on Urban Planning and Design, together with other good ideas of the shortlisted entries, the KTF project is being further developed under two consultancy studies. An expression of interest (EOI) exercise for the implementation of the Tourism Node under KTF project was completed in December 2015. A total of 11 EOI submissions were received. The Government will make reference to the ideas and suggestions received in taking forward the TN development.
- To support the development at the southern part of the former runway in the Kai Tak Development, including the "hotel belt" development projects, construction of relevant infrastructure facilities have commenced for completion in 2019. Besides, to further improve the water quality of the Kai Tak Approach Channel, the Government has adopted an interception

and pumping scheme in lieu of the original proposal to form a 600-metre opening at the former runway. Relevant District Councils have been consulted and expressed general support. Design of the new scheme is in progress.

- Relocation of government facilities in two Action Areas in Kowloon East is being studied to release land for comprehensive development of commercial and other uses to provide about 560,000 square metres of commercial/office floor space. This involves relocating two existing vehicle examination centres within the Kowloon Bay Action Area to Tsing Yi.
- In January 2016, a non-profit making organisation was selected to operate 3 sites beneath Kwun Tong Bypass for cultural, arts and leisure facilities. It is anticipated that the sites will start operation in mid-2017 for 4 years.
- In June 2016, Stage 2 Public Engagement of the Urban Design Study for the Wan Chai North and North Point Harbourfront Areas was launched for two months. The objective of the study is to formulate a sustainable urban design framework and comprehensive planning and design briefs for Wan Chai North and North Point harbourfront areas with a view to making the harbourfront attractive, accessible and vibrant for the enjoyment of all.
- Made good progress in respect of the development of former quarry sites. Statutory planning procedures for the development of the ex-Cha Kwo Ling Kaolin Mine site has been completed, which will provide about 2,240 flats in phases. Phase 1 of the development has been included in the 2016-17 Land Sale Programme. The Anderson Road Quarry site is expected to provide about 9,410 flats. Meanwhile, we also commenced a further study in June 2016 to explore making use of the private developers' capacity to expedite the development of ex-Lamma Quarry (about 1 900 flats), and examine the financial viability of the proposal.
- In May 2016, the planning application of the Master Layout Plan of the Diamond Hill Comprehensive Development Area (CDA) was approved. Phase 1 of the public housing development will be completed in 2020-21, and the development of the whole CDA is expected to complete in 2022-23, providing about 4,050 public housing units in total.
- The Kwu Tung North and Fanling North New Development Areas (NDAs) will be an important source of housing and land supply for Hong Kong. The NDAs will deliver about 60,000 flats, of which 60% will be public housing flats. The first population intake is scheduled for 2023. The

Outline Zoning Plans for the NDAs were approved by the Chief Executive in Council on 16 June 2015. The road and sewage work schemes of NDAs at the Advance and First Stages were also gazetted on 31 December 2015, and the comments received are being handled in accordance with established procedures.

- In September 2015, completed Stage 3 Community Engagement for the Recommended Outline Development Plan (RODP) of Hung Shui Kiu NDA. The NDA will be the next generation of new towns for a total population of about 215,000, providing about 60,100 additional flats and 150,000 job opportunities. The submission of the Outline Zoning Plan to the Town Planning Board is scheduled for end 2016.
- In April 2016, completed the Tung Chung New Town Extension (TCNTE) Study, with the relevant Outline Zoning Plans gazetted and the Environmental Impact Assessment approved. Aiming for the reclamation to start in 2017-18, the first population intake is estimated to take place in 2023, with the detailed design and site investigation commenced in June 2016. The TCNTE will provide some 49,400 flats and about 877,000 square metres of floor area for office, retail and hotel uses, and create about 40,000 job opportunities.
- In April 2016, completed Stage 3 Community Engagement for the draft RODP of Yuen Long South (YLS). Providing 27,700 housing units, YLS will become an extension to the Yuen Long New Town for meeting housing and other development needs and improving the local environment.
- In August 2015, completed the Area Assessments of Industrial Land in the Territory to understand the latest utilisation of private industrial buildings (IBs). The measures for revitalising IBs have also served their intended purposes of optimising the use of old IBs during economic transformation, and came to an end in March 2016, having received 22 applications for redevelopment and 226 applications for wholesale conversion. As at end-May 2016, all the applications for redevelopment and 107 applications for wholesale conversion had been approved, involving about 1,420,000 square metres of converted or new floor space.
- From July 2015 to June 2016, the MTR Corporation Limited (MTRCL) successfully tendered 4 railway property development projects, with a total capacity to provide about 6,260 residential flats. In addition, after necessary studies, MTRCL considered that topside residential development at the Yau Tong Ventilation Building site is technically

feasible. This site, together with the adjoining land, has the potential to produce about 1,000 residential flats. The Government will continue to actively study issues related to the Siu Ho Wan Depot in Lantau and other railway-related sites, which are capable of providing at least 12,000 flats. Since July 2012, MTRCL has successfully tendered 14 railway property development projects, which are estimated to provide about 22,900 flats.

- To continue with the investigation and design work of the relocation of the Sha Tin Sewage Treatment Works to caverns for completion in phases from 2017 to 2022, with a view to commencing the relocation works as early as possible so as to release about 28 hectares of the existing plant site for other beneficial uses.
- To continue to take forward the construction of the Liantang / Heung Yuen Wai Boundary Control Point (BCP). Site formation of the BCP was completed in January 2016 while other main construction contracts (including the BCP building and connecting roads) are in satisfactory progress. We strive to complete the BCP in 2018.
- To plan for a competitive, liveable and sustainable Asia's world city, we continue to carry out the "Hong Kong 2030+: Towards a Planning Vision and Strategy Transcending 2030" to update the territorial development strategy, and aim to commence the public engagement by end of this year.
- In February 2016, promulgated standardised formats of building plans and checklists of required supporting documents for application for plan approval, which were prepared in collaboration with the building industry, with a view to enhancing the quality of building plan submissions; and expedited the approval of building plans through increasing the manpower of the Buildings Department and streamlining the process.
- In June 2016, established the "Project Cost Management Office" to strengthen cost control for public works projects through system re-engineering and design optimisation. A 3-prong approach has been adopted to take forward the relevant initiatives, including comprehensive review of policies and requirements on public works; close scrutiny of cost estimates of over 300 major new projects; and enhancement of project management in order to ensure the cost effectiveness of the investment on capital works.
- In May 2016, the Property Management Services Bill was passed by the Legislative Council (LegCo) to provide a legal framework for the licensing of property management companies and property management

practitioners.

Poverty Alleviation, Elderly Care and Support for the Disadvantaged

- According to the official “poverty line” updated in October 2015, the number of poor population remained below one million for the second consecutive year, the lowest since data was available in 2009. As at end April 2016, the overall caseload under the Comprehensive Social Security Assistance (CSSA) Scheme registered a continuous decrease of 61 months to 242 308 cases (involving 359,390 recipients), the lowest in 14 years. Low-earnings cases registered a continuous decrease of 86 months to 5,950 cases, the lowest in 17 years. Unemployment cases also registered a continuous decrease of 80 months to 15,657 cases, the lowest in 18 years.
- In 2016-17, government recurrent spending on social welfare reached \$66.2 billion, accounting for 19% of Government recurrent expenditure, second only to education. Compared with \$42.8 billion spent in 2012-13 when the current-term Government commenced, welfare expenditure has increased significantly by 55%.
- In December 2015, the Commission on Poverty chaired by the Chief Secretary for Administration launched a six-month public engagement exercise to collect public views on how to improve Hong Kong’s retirement protection system.
- The Commission on Poverty approved 5 assistance programmes under the Community Care Fund, including providing a one-off grant for kindergarten students from needy families in the 2016/17 school year to cover their school-related expenses before the implementation of the free quality kindergarten education policy in the 2017/18 school year; implementing a pilot scheme to provide free cervical cancer vaccination for teenage girls from eligible low-income families; and implementing 3 pilot schemes in relation to persons with disabilities, i.e. living allowance for low-income carers of persons with disabilities, providing further disregarded earnings for recipients with disabilities under the CSSA Scheme, and providing a subsidy for eligible persons with disabilities who are receiving Higher Disability Allowance and engaging in paid employment to hire carers. The total commitment of the programmes concerned is around \$450 million, which will benefit more than 86,200 persons.

- Since May 2016, the Low-income Working Family Allowance Scheme has started receiving applications by phases. The Scheme aims to provide financial support to low-income working families that are not receiving assistance under the CSSA Scheme to encourage self-reliance and ease inter-generational poverty.
- Since June 2015, the first batch of after-school learning and support programmes under the Partnership Fund for the Disadvantaged (the dedicated portion) have gradually commenced, involving business donations and matching grants from the dedicated portion amounting to about \$100 million and benefitting over 30,000 primary and secondary school students. The Social Welfare Department (SWD) invited second round applications from December 2015 to March 2016. Business donations reached \$70 million and the approved projects have gradually commenced since the second quarter of 2016.
- Announced in January 2016 that the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly would be launched within the year. The Pilot Scheme will be extended to all 18 districts in the territory and the number of vouchers will be increased by 1,800 to 3,000. The Second Phase of the Pilot Scheme involves an allocation of \$640 million from the Lotteries Fund.
- In March 2016, the Commission on Poverty approved the extension of Phase I of the Pilot Scheme on Living Allowance for Carers of Elderly Persons from Low Income Families, an assistance programme under the Community Care Fund, to September 2016 and the rollout of Phase II in October 2016. The two phases will benefit a total of 4,000 beneficiaries. The whole project will incur an additional expenditure of some \$300 million.
- About 500 additional subsidised day care places for the elderly will be provided from 2014-15 to 2018-19. Sites at 11 development projects or vacant buildings have been reserved for the provision of day care centres/units. About 540 new day care places are expected to be provided at these sites.
- About 2,000 additional subsidised residential care places for the elderly will be provided from 2014-15 to 2018-19 through a multi-pronged approach. Sites have been reserved for the construction of new residential care homes for the elderly, expected to provide some 1,400 new places. In addition, if all the proposals under the Special Scheme on Privately Owned Sites for Welfare Uses could be implemented smoothly,

about 9,000 additional elderly service places are expected to be provided, including 7,000 residential care places and 2,000 day care places.

- Announced in January 2016 the implementation of the recommendations of the Inter-departmental Working Group on Review of the Disability Allowance (DA). Apart from implementing three pilot schemes related to persons with disabilities under the Community Care Fund, we will improve the existing assessment mechanism for the DA; invite the Rehabilitation Advisory Committee to continue to follow up how neighbouring jurisdictions implement the “International Classification of Functioning, Disability and Health” established by the World Health Organisation; task the Labour Department (LD) to implement a pilot scheme to engage a non-governmental organisation to provide counselling service for job seekers with disabilities in need; carry out early preparation of the regularisation of the pilot scheme on peer supporters for ex-mentally ill patients; and examine the feasibility of setting up a public trust for parents of children with special needs, etc.
- Starting from 2016-17, to allocate an additional annual recurrent expenditure of about \$180 million to strengthen support services for persons with disabilities, including the provision of 1,110 more places for rehabilitation services. Also to provide a non-means-tested training subsidy for children on the waiting list for Special Child Care Centres (SCCCs) and to waive the fees of SCCC starting from the 2017-18 school year.
- In 2016-17, to continue to implement the two-year Pilot Scheme on On-site Pre-school Rehabilitation Service (Pilot Scheme). With a funding of \$422 million from the Lotteries Fund, the Pilot Scheme is being implemented by inter-disciplinary teams co-ordinated by 16 non-governmental organisations experienced in the implementation of subvented pre-school rehabilitation services to provide 2,925 service places to children with special needs who are studying in over 450 kindergartens and kindergarten-cum-child care centres. The projects under the Pilot Scheme were rolled out in phases from November 2015 to January 2016. The Government has reserved recurrent funding of \$470 million for expanding and continuing the service after the two-year Pilot Scheme. The number of service places will increase to 7,000 when the scheme is regularised.
- In March 2016, implemented a two-year “Pilot Project on Peer Support Service in Community Psychiatric Service Units” with a funding of about

\$10 million from the Lotteries Fund to provide 32 peer supporter positions to strengthen support for ex-mentally ill and other needy persons, and facilitate public acceptance of ex-mentally ill persons.

- In April 2016, implemented a 30-month Pilot Project on “Strengthening Support for Persons with Autism and their Parents/Carers” with funding of about \$27 million from the Lotteries Fund, to provide casework service for at least 400 persons with autism and their parents/carers, and to provide support for related rehabilitation service units and frontline staff.
- The redevelopment of two flagship projects at Siu Lam and Kai Nang has commenced. Hong Kong’s largest Integrated Rehabilitation Services Complex (IRSC) with a total floor area of about 40,000 square metres will be constructed at the site of the ex-Siu Lam Hospital in Tuen Mun to provide 1,150 residential and 550 day training places. Another IRSC to be provided at the site of the ex-Kai Nang Sheltered Workshop and Hostel in Kwun Tong will provide 510 additional service places, including 300 residential places. Together with other planned projects, the projects with works commencing in this term of Government will provide altogether about 6,200 places for rehabilitation services.
- With effect from September 2016, LD will strengthen employment support for job seekers with disabilities by engaging a non-governmental organisation under a two-year pilot scheme to help job-seekers with disabilities in need of counselling service. It is estimated that about 130 job seekers with disabilities registered with LD for employment services are in need of the counselling service each year.
- With effect from September 2015, LD has enhanced the post-placement follow-up service for job seekers with disabilities by extending the service period from three months to six months. It is estimated that this new measure will cover over 2,000 job seekers with disabilities each year.
- In early 2016, the Standing Committee on Language Education and Research has launched the “Vocational Chinese Language Courses for NCS School Leavers” pegged at Level 1 or 2 of the Qualifications Framework with a view to enhancing the employability of non-Chinese speaking (NCS) school leavers.
- The Education Bureau (EDB) has, starting from the 2014/15 school year, allocated about \$200 million per year to step up the education support for NCS students in learning the Chinese language through, among others, the implementation of the “Chinese Language Curriculum Second Language Learning Framework”. In the 2015/16 school year, a total of

197 schools, including 112 primary schools and 85 secondary schools, were provided with additional resources. As at April 2016, a total of over 2,700 teachers attended professional development programmes under the “Chinese Language Curriculum Second Language Learning Framework”.

- In 2016-17, additional places in a refuge centre for women and the Family Crisis Support Centre would be provided to give better support to victims of domestic violence and families in need. Additional manpower for refuge centres for women and the Multi-purpose Crisis Intervention and Support Centre (namely CEASE Crisis Centre) would also be provided to enhance child care support service for residents.
- In November 2015, launched a four-month public consultation on the draft Children Proceedings (Parental Responsibility) Bill and support measures for implementing the recommendations of the Law Reform Commission Report on Child Custody and Access.
- Starting from 2015-16, about 5,000 additional Extended Hours Service places would be provided by phases at aided child care centres (CCCs) and kindergarten-cum-CCCs in districts with high demand, with about 1,200 of these places already gradually provided since September 2015. SWD will provide by phases the remaining batch of about 3,800 places based on the demand in various districts.
- In March 2016, launched the two-year Pilot Project on Child Care Training for Grandparents providing a total of 540 training places. The Pilot Project aims at strengthening family ties and relationship between generations, enhancing child care and promoting active ageing of grandparents through life-long learning.
- Sign language courses have been included in the languages domain of the Continuing Education Fund (CEF) and hence course providers can apply for the registration of their sign language courses as CEF courses. The first batch of sign language courses was approved as CEF courses in February 2016.

Education and Youth Development

- Starting from the 2016/17 academic year, to provide 10 additional offers of scholarship for students from Indonesia under the existing Targeted Scholarship Scheme (TSS) of the HKSAR Government Scholarship Fund (Scholarship Fund) so as to attract outstanding students from Indonesia to pursue undergraduate studies in Hong Kong, facilitate exchanges and establish connections between students from the two places.
- To encourage more outstanding students from countries and regions along the Belt and Road to pursue studies in Hong Kong, we have proposed injecting \$1 billion into the Scholarship Fund and use the investment income thus generated to increase the number of additional offers for the Belt and Road Scholarship under TSS to 100 in phases. We have also proposed setting up an “Outbound Belt and Road Scholarship” for Hong Kong students to pursue undergraduate studies in the Belt and Road economies.
- The Quality Education Fund has included the Belt and Road in the contents of the relevant priority theme for 2016/17 to encourage the school sector to submit applications for different projects, so as to enable students to learn more about the history, culture, religion and art of the related countries and their development, and in turn the meaning of the Belt and Road Initiative, its importance on the future of Hong Kong and the opportunities it can bring. Students can reflect on what they can contribute to the development of the Belt and Road Initiative.
- In December 2015, EDB and the Ministry of Education and Culture of the Indonesian Government signed a Memorandum of Understanding on education co-operation to facilitate strategic collaboration between the education communities of the two places.
- Since the 2015/16 school year, we have encouraged schools to enhance students’ understanding of the importance of the Belt and Road Initiative. Through the curriculum content and learning activities (e.g. project learning and experiential learning of the Silk Road and the Maritime Silk Road) of various subjects such as Chinese History, Geography, History, Life and Society, Religious Studies, Arts, Technology and Liberal Studies, students can develop a better understanding of the origin of the Belt and Road Initiative as well as the histories, cultural backgrounds and latest development of the Belt and Road countries and regions. People-to-people bond can also be promoted through our students’

exchange and communication with people living there. In order to facilitate the development, we will continuously provide professional development programmes and relevant learning and teaching resources for teachers so that they will become more proficient in promoting related student learning.

- From the 2017/18 school year, to implement the free quality kindergarten (KG) education policy to provide eligible local non-profit-making KGs with a basic subsidy for the provision of three-year quality half-day service for all eligible children. It is estimated that about 70% to 80% of half-day KG places will be free. To also provide an additional subsidy to eligible whole-day and long whole-day KGs. Under the new policy, the Government will improve the quality of KG education in various aspects, including further improving the teacher-pupil ratio, encouraging KGs to establish a career ladder and provide competitive remuneration, reviewing the Guide to the Pre-primary Curriculum, refining the Quality Assurance Framework, strengthening the support for students with diverse needs, and enhancing parent education, etc.
- Setting up of a Gifted Education Fund of \$800 million in support of the Hong Kong Academy for Gifted Education's work in nurturing exceptionally gifted students aged between 10 and 18 and providing special academic and non-academic training as well as counselling services.
- In May 2016, the Legislative Council (LegCo) passed The Hong Kong Institute of Education (Amendment) Bill 2016. The Hong Kong Institute of Education was retitled as The Education University of Hong Kong.
- Through the HKSAR Government Scholarship Fund and the Self-financing Post-secondary Education Fund, the Government provides scholarships and awards to outstanding post-secondary students every year. As at June 2016, a total of \$140 million worth of scholarship was awarded to over 5,600 local students and almost 500 non-local students in the 2015/16 academic year.
- Life planning education (LPE) has been introduced since the 2014/15 school year. Apart from providing a recurrent grant for eligible secondary schools, EDB has also introduced various support measures. A majority of the schools have included LPE as a major school focus.
- To enhance the implementation of the senior secondary curriculum, and strengthen life planning education and related guidance services, public sector schools may turn the two recurrent cash grants, namely the Senior

Secondary Curriculum Support Grant and Career and Life Planning Grant into regular teaching posts with effect from the 2016/17 school year. This will provide about 1,000 additional graduate teaching posts.

- The Business School Partnership Programme (BSPP) has witnessed enhancement by leaps and bounds. From September 2015 to end of May 2016, 125 companies and organisations have collaborated with EDB in organising over 740 BSPP activities, with some 220,000 student participants. We will continue to encourage more business establishments and government departments to strengthen their collaboration with schools.
- In the 2015/16 school year, all Schools for Social Development (SSD) serve as “Special School cum Resource Centres (SSD)” to provide support for their leavers in their first year of returning to ordinary schools and for the ordinary schools concerned, so as to facilitate the smooth integration of these students into the school life.
- With funding from the Community Care Fund, a three-year pilot project has been launched from the 2015/16 school year to provide a cash grant to public sector ordinary schools with relatively more students with special educational needs (SEN) and financial needs to arrange for a designated teacher as a special educational needs coordinator (SENCO) to co-ordinate matters relating to SEN in schools.
- The School-based Educational Psychology Service will be further enhanced by progressively improving the ratio of educational psychologist to school to 1:4 for public sector primary and secondary schools with a large number of students with SEN.
- In the area of teachers’ professional development, the Committee on Professional Development of Teachers and Principals has published its first Progress Report in April 2015. As the first phase of work, two areas of focus under the overarching project T-excel@hk have been launched:
 - Conducting a territory-wide system survey on professional development needs of teachers and principals to inform the design and delivery of initial teacher education and continuing professional development (CPD) programmes. Survey results are expected to be released in the third quarter of 2016.
 - Formulating professional standards for teachers and principals to provide a clear reference for teachers’ CPD and school leadership development. The draft standards are expected to be released in late 2016 for consultation.

- In July 2015, the Task Force on Promotion of Vocational Education submitted its Report to the Government, proposing a three-pronged strategy with a total of 27 recommendations to further promote vocational and professional education and training (VPET). The Government accepted all the recommendations and is actively following up.
- In 2015/16 academic year, the Testing and Certification Industry joined the Pilot Training and Support Scheme (PTSS) implemented by the Vocational Training Council (VTC). The Government has decided to extend the PTSS, benefitting about 4,000 students for four cohorts with a total commitment of \$288 million.
- To implement a Pilot Scheme providing tuition fee subsidy for students admitted to VTC's designated professional part-time programmes of the Construction, Engineering and Technology field. The Pilot Scheme will be implemented from the 2016/17 academic year. It is estimated that the Pilot Scheme will benefit around 5,600 students in total for three cohorts with a total non-recurrent expenditure of \$200 million.
- The Study Subsidy Scheme for Designated Professions/Sectors was announced in Policy Address 2014 to subsidise about 1,000 students per cohort for three cohorts from the 2015/16 to 2017/18 academic years to pursue designated full-time locally-accredited self-financing undergraduate programmes in selected disciplines to nurture talents for industries with keen manpower demands. In the 2015/16 cohort, the Scheme subsidised a total of 940 places in 13 programmes offered by 5 self-financing post-secondary institutions; in the 2016/17 cohort, a total of 1,030 places in 15 programmes to be offered by 6 institutions will be subsidised. The selected programmes fall under 6 disciplines identified with keen manpower demand.
- Starting from the 2015/16 academic year, began to progressively increase the number of subsidised senior year undergraduate intake places. By the 2018/19 academic year, 5,000 meritorious sub-degree graduates per annum can articulate into subsidised senior year undergraduate places, representing an increase of 1,000 as compared with the 2014/15 academic year.
- The proportion of students pursuing subsidised undergraduate programmes in the relevant cohort has increased from 18% ten years ago to 26% in the 2015/16 academic year. If we also include students admitted to self-financing undergraduate programmes, the overall undergraduate participation rate of the relevant cohort is around 46%.

Including sub-degree education, about 70% of young people have access to post-secondary education.

- In March 2016, launched a pilot scheme for the articulation of Hong Kong sub-degree graduates to top-up degree programmes in Huaqiao University, for eligible Hong Kong sub-degree graduates to apply for study in the Huaqiao University in Fujian Province.
- Advanced the review of the Mainland University Study Subsidy Scheme as to how to expand its scope. Starting from the 2016/17 academic year, financially needy Hong Kong students pursuing undergraduate studies in 155 designated Mainland universities may apply for subsidy under the scheme.
- In the 2015/16 school year, launched a three-year “Pilot Scheme on Promoting Interflows between Sister Schools in Hong Kong and the Mainland” through which a fixed grant of \$120,000 per annum and professional support would be provided to local participating schools to further facilitate professional interflows and the multi-faceted collaboration among sister schools in Hong Kong and the Mainland. The number of local schools joining the Sister School Scheme is expected to increase progressively from the existing some 300 to about 600 in three years.
- Continue to enhance the Mainland exchange programmes for students, including organising more programmes of different varieties and increasing the quotas to over 75,500.
- The number of schools offering Hong Kong curriculum under the Scheme of Classes for Hong Kong Students in Shenzhen, including two schools for Hong Kong children, has increased from nine in the 2014/15 school year to 11 in the 2015/16 school year, with the number of students increasing from 2,200 to about 3,100.
- With the support of the Mainland authorities, the special quota for cross-boundary school coaches has been increased from 170 in the 2014/15 school year by about 30% to 220 in the 2015/16 school year, to meet cross-boundary students' demand for such kind of school coach service.
- Completed the New Academic Structure (NAS) Medium-term Review in 2015, and released the “Report on the NAS Medium-term Review and Beyond” in November 2015. The school curriculum has entered a new phase of ongoing renewal, including strengthening the contents at the primary and secondary levels to promote Science, Technology, Engineering and Mathematics (STEM) education; to enhance the

understanding of the Basic Law, “One Country, Two Systems” and related concepts; and to continue developing learning and teaching materials, as well as strengthen pre-service and in-service teacher training, etc.

- From 2015/16 school year, to fully launch the Fourth Strategy on Information Technology in Education. Major initiative is the setting up of WiFi campus for about 1,000 public sector schools round the territory. As at 2015/16 school year, around half of the schools have completed the related works.
- A new round of consultancy study to review the demand and supply of international school places in the territory is in progress. The study is expected to be completed by mid-2016.
- In July 2015, a new Industry Training Advisory Committee (ITAC) for the Fashion industry was established under the Qualifications Framework. At present, 20 ITACs have been set up for 21 industries/sectors covering 53% of the workforce in Hong Kong.
- In 2015-16, the first two projects under the Youth Hostel Scheme commenced construction and detailed design respectively after obtaining LegCo’s approval on the funding applications. It is expected that the first batch of hostel places will be available in late 2018.
- The \$300 million “Youth Development Fund” was announced in the 2015 Policy Address to support youth entrepreneurship. We have almost completed the preparation work of the Fund and will invite applications soon.
- The Summer Exchange Programme 2016 will be a thematic study in Indonesia, a Belt and Road country, and is aimed at broadening the horizons of young people in Hong Kong. On the other hand, in April 2016, we launched the pilot “Funding Scheme for Exchange in Belt and Road Countries” to support registered non-profit making organisations or statutory bodies to organise, on a matching grant basis, youth exchange programmes in the Belt and Road countries with a view to achieving the objective of fostering “people-to-people bond”.

Environmental Protection and Conservation

- In March 2014, launched an incentive-cum-regulatory scheme to phase out progressively some 82,000 pre-Euro IV diesel commercial vehicles (DCVs) by the end of 2019. As at the end of April 2016, about 41,700 DCVs, including all pre-Euro DCVs, were phased out.
- In July 2015, the Air Pollution Control (Ocean Going Vessels) (Fuel at Berth) Regulation came into force, requiring ocean going vessels to switch to fuels with sulphur content not exceeding 0.5% while at berth. Hong Kong is the first city in Asia mandating by law ocean going vessels to switch to low sulphur fuel at berth.
- Embarked on a review of the air quality objectives in the second quarter of 2016.
- In October 2015, the \$1 billion Recycling Fund was established to help the recycling industry enhance its operational capabilities and efficiency. Among all first batch applications, the Advisory Committee on Recycling Fund has recommended the approval of 29 of them.
- An interdepartmental working group has been set up to steer and co-ordinate the preparatory work for the implementation of Municipal Solid Waste (MSW) charging. The Environment and Conservation Fund has earmarked \$50 million to sponsor relevant community involvement projects, and the first batch of projects have started to roll out in the first half of 2016. A Steering Group on the Modification of Recycling and Refuse Collection Facilities in Public Places was established in February 2016 to review relevant facilities to tie in with the implementation of MSW charging.
- In February 2016, launched the Waste Cooking Oils (WCO) Recycling Administrative Registration Scheme. The scheme aims to strengthen regulation on the collection and recycling of WCO and prevent WCO from re-entering the food chain as cooking oil.
- In March 2016, the Legislative Council passed the enabling legislation for the mandatory producer responsibility scheme (PRS) on waste electrical and electronic equipment (WEEE). The WEEE Treatment and Recycling Facility is under construction and is expected to be commissioned in mid-2017.
- In May 2016, the Legislative Council passed the enabling legislation for the mandatory PRS on glass beverage containers. The residential collection network for glass bottles has been extended to cover over 70%

of the Hong Kong population.

- We are developing Community Green Stations (CGSs) in each of the 18 districts where services for environmental education and support to the local community for recycling of various resources are integrated into one facility to be operated by a non-profit making organisation. The first two projects, Sha Tin CGS and Eastern CGS, were commissioned in May and September 2015 respectively.
- In April 2016, the T-PARK (formally known as Sludge Treatment Facility) completed all works and commenced full operation to receive all sludges arising from the regional sewage treatment works in Hong Kong. The Environmental Education Centre of T-PARK has opened to the public since June 2016.
- In November 2015, launched Phase 1 of the Restored Landfill Revitalisation Funding Scheme to fund eligible organisations to develop recreational facilities or implement other innovative proposals at restored landfills.
- In November 2015, released the views received during the public consultation on the future development of the electricity market. The Government has also commenced negotiation with the power companies on the contractual arrangement after the Scheme of Control Agreements expire in 2018.
- In November 2015, the grading standards of room air conditioners, refrigerating appliances and washing machines (with a washing capacity at or under 7kg) under the Mandatory Energy Efficiency Labelling Scheme were upgraded. This could bring about an estimated electricity saving of about 300 million kilowatt-hour per year.
- In June 2016, the new Energy Saving Charter which did not only cover air-conditioning but also different kinds of electrical products was launched.
- In November 2015, published the Hong Kong Climate Change Report 2015, summarising relevant work to combat climate change in the past. Established a new interdepartmental committee chaired by the Chief Secretary for the Administration in April 2016 to steer and co-ordinate the Government's climate actions on various fronts, including formulating our longer term carbon reduction target as well as drawing up relevant measures.
- In April 2016, the Charter on External Lighting came into effect. More than 4,000 properties and shops signed up to the Charter.

- In end 2015, the Harbour Area Treatment scheme was fully commissioned. The overall water quality of Victoria Harbour has further improved. The level of unionised ammonia nitrogen decreased by 15% and Escherichia coli by 75 %.
- For the conservation of elephants in Africa, we are exploring measures including enacting legislation to ban the import and export of elephant hunting trophies and ivory, and phase out local ivory trade. To also explore imposing heavier penalties on smuggling and illegal trading of endangered species.
- In early 2016, consulted the public on the formulation of the first Biodiversity Strategy and Action Plan (BSAP), for implementing the enhanced measures on nature conservation and supporting sustainable development in the coming years.
- In January 2016, announced to earmark \$500 million for setting up the Built Heritage Conservation Fund to support public education, community involvement and publicity activities, and academic research, and to cover certain existing government initiatives and activities on built heritage conservation. In May 2016, established the Advisory Committee on Built Heritage Conservation comprising primarily non-official members to advise the Government on the operation of the Fund.
- In August and October 2015, the Old Tai Po Police Station and the Stone Houses under Batch II of the Revitalising Historic Buildings Through Partnership Scheme commenced operation respectively. Phase I of the Blue House Cluster also commenced operation in May 2016.
- Funding for the revitalisation works of the Haw Par Mansion, Bridges Street Market and Former Fanling Magistracy under Batch III of the Revitalising Historic Buildings Through Partnership Scheme was approved by the Finance Committee of the Legislative Council in April and May 2016. The works have commenced since June 2016.
- Declared the Signal Tower in Tsim Sha Tsui, Race Course Fire Memorial in So Kon Po, and façade of the Old Mental Hospital in Sai Ying Pun; as well as Blocks 7, 10 and 25 of the Old Lei Yue Mun Barracks in Chai Wan as monuments in October 2015 and May 2016 respectively.
- Updated relevant guidelines on the conservation of historic buildings in January 2016. The updated guidelines explain to the building industry how to apply for modifications of or exemption from the relevant requirements under the Buildings Ordinance and set out examples of alternative design options, with a view to helping the industry tackle problems frequently

faced in the conservation of historic buildings.

Healthcare

- In July 2015, to meet those challenges such as ageing population and increased prevalence of chronic diseases, the Hospital Authority (HA) published a report and put forward 10 major recommendations to refine the delineation of cluster boundary and resource allocation model.
- In October 2015, the pilot scheme for the use of elderly health care vouchers at the University of Hong Kong-Shenzhen Hospital was launched to facilitate Hong Kong elders who usually reside in the Shenzhen area to seek necessary medical treatment.
- To follow up on the ten-year Hospital Development Plan under which a dedicated provision of \$200 billion has been earmarked. The plan, upon implementation, will provide more than 5,000 additional hospital beds and over 90 new operating theatres.
- From January to May 2016, the Government invited expression of interest (EOI) from non-profit-making organisations for the development and operation of a Chinese medicine hospital (CMH) in Tseung Kwan O. The EOIs received will serve as references for the Government in determining the requirements and arrangements for the tender of CMH. Besides, the Government is actively preparing for the establishment of a testing centre for Chinese medicines under the Department of Health for conducting tests and scientific researches on Chinese medicines. The Government will set up a temporary testing centre for Chinese medicines at the Science Park. The temporary centre is expected to commence operation in phases from 2017.
- In March 2016, the Legislative Council (LegCo) approved an allocation of \$10 billion for the Hospital Authority to establish an endowment fund for regularising and enhancing clinical Public-Private Partnership (PPP) programmes being undertaken on a pilot basis, and developing new clinical PPP initiatives so as to alleviate pressure on the public healthcare system due to manpower shortages and surge in demand and provide better quality of care for the patients.
- In March 2016, the Government's Electronic Health Record Sharing System was commissioned. It provides an electronic platform for two-way sharing of patient records among healthcare providers in the public and private sectors with patients' consent, facilitating better and more timely patient care.
- In March 2016, the statutory smoking ban was extended to the bus

interchanges locating in the eight tunnel portal areas.

- In April 2016, established the Committee on Promotion of Organ Donation to step up the promotion of organ donation.
- In March 2016, introduced the Medical Registration (Amendment) Bill 2016 into the LegCo to increase public participation in the Medical Council of Hong Kong; improve its complaint investigation and disciplinary inquiry mechanism; and facilitate non-locally trained doctors to practise in Hong Kong in order to alleviate manpower shortage in the public sector.
- In June 2016, established the High Level Steering Committee on Antimicrobial Resistance. The Committee will collaborate with experts and practitioners from different sectors in formulating strategies to tackle the problems of antimicrobial resistance.
- The Colorectal Cancer Screening Pilot Programme, which is expected to be implemented in September 2016, will subsidise eligible Hong Kong residents aged 61 to 70 to participate in colorectal cancer screening in phases. It is expected that some 300,000 participants will join the 3-year Pilot Programme.

Culture, Leisure, Municipal Services and District Administration

- In November 2015, held the District Council (DC) ordinary election successfully. The 5th-term DCs commenced their operation on 1 January 2016. All appointed seats have been abolished.
- Since January 2016, DC members' remuneration package has been enhanced, including a 15% increase of the monthly honorarium in real terms and an expanded remit of the accountable Operating Expenses Reimbursement. Also, each DC member will be provided with a duty visit provision of up to \$10,000 per term.
- In August 2015, Sham Shui Po and Yuen Long completed a 17-month pilot scheme, which provided the District Management Committees (DMCs) chaired by District Officers with the power to tackle the management and environmental hygiene problems of some public areas. The scheme has proved highly successful. The scheme, renamed as the "District-led Actions Scheme" would be extended to all 18 districts within the 5th term of DCs (2016-2019), to take forward the concept of "addressing district issues at the local level and capitalising on local opportunities".
- Under the district-based columbarium development scheme, we have in the past few years obtained support from the relevant District Councils in respect of 9 sites. The new niches are expected to provide about 500,000 new niches completed gradually from 2018 and 2019 onwards.
- To take forward the Universal Accessibility Programme, the Government has announced that from the fourth quarter of 2016, it will again invite the District Councils (DCs) to further nominate not more than three existing walkways in each district for the second phase of the programme. The walkways eligible for consideration by the DCs will no longer be confined to public walkways maintained by the Highways Department, provided that certain criteria are met in order to ensure proper use of public funds.
- In May 2016, funding approval was obtained from the Legislative Council Finance Committee for the construction of 3 hillside elevator systems in Tsing Yi, Kwai Chung and Kowloon City, as well as an elevated walkway and footbridge in Tseung Kwan O and Tsuen Wan respectively to provide convenient access for the public. It is anticipated that construction will commence progressively from the fourth quarter of 2016.

- In January 2015, we reported to the Legislative Council the improvement measures recommended by a consultant in respect of six selected public markets. After consulting the stakeholders of the relevant markets in the 4th quarter of 2015, we are now taking forward the improvement measures for two of these markets according to established procedures and will follow up the recommendations for the remaining 4 markets in 2016-2017.
- In August 2015, launched the “Keep Clean” campaign with the support of the 18 District Councils and different sectors in the community.
- In May 2016, the Urban Renewal Authority launched the “Smart Tender” pilot scheme to enhance the technical support for building owners. The scheme enables building owners to make informed decisions in regard to building repair and maintenance works, thereby minimising the risk of bid-rigging.
- In 2015, completed the legislative exercise to amend the Building (Standards of Sanitary Fitments, Plumbing, Drainage Works and Latrines) Regulations, thereby enhancing the standard for the provision of sanitary fitments in new private buildings and significantly easing the shortage of female sanitary fitments in public places in the future. The amended Regulations commenced operation in December 2015.
- In February 2016, the Commissioner for Sports assumed office. He is responsible for co-ordinating and liaising with relevant government bureaux and departments as well as sports organisations with a view to enhancing the promotion and implementation of various sports policies and initiatives, thus enabling the Home Affairs Bureau to take forward cross-bureau and cross-departmental sports initiatives in a more effective manner.
- The detailed planning and design of the Kai Tak Sports Park is under way, and is expected to complete in 2017. Taking into consideration views of the sports sector and other relevant sectors, the key sports facilities of the Kai Tak Sports Park would include a main stadium with a seating capacity of around 50,000; a public sports ground with a seating capacity of around 5,000; and an indoor sports centre with a seating capacity of around 7,000. Apart from hosting major international tournaments and large scale events, the facilities in the Sports Park can be used for local athletic meets and competition of different ball games, as well as open to the public for leisure uses. A two-month public engagement exercise has commenced in May 2016 to introduce the project progress to members of the public

and gauge their views through a questionnaire survey.

- In September 2015, 23 Hong Kong athletes with intellectual disabilities achieved remarkable results at the INAS Global Games held in Ecuador by winning a total of 37 medals: 13 gold, 11 silver and 13 bronze medals.
- Support Hong Kong athletes in preparing for and participation in the 2016 Rio Olympic Games and Paralympic Games.
- In the 2015/16 school year, continued to implement the Pilot Scheme for Student Athlete Support to support students from low-income families in realising their sporting potential. In its 3rd year of implementation, the number of participating schools has increased to 578, about 60% increase from the first year.
- In 2016-17, develop a new career programme for retired athletes, under which schools and national sports associations will be subsidised and encouraged to employ retired athletes. This will help retired athletes build a solid foundation for their career plans and future development, and assist schools and national sports associations in promoting sport and nurturing sporting talent.
- Support the Hong Kong Football Association in developing a football training centre at the restored Tseung Kwan O Stage I Landfill. The construction works of the centre are expected to commence in mid-2016.
- Various recreation and sports facilities came into operation, including the completion of the redevelopment of the Victoria Park Swimming Pool Complex in July 2015, the commissioning of the handball court and roller skating rink at the Victoria Park in September and December 2015 respectively; and the commissioning of the Ha Tsuen Soccer Pitch, Yuen Long in January 2016.
- Since August 2015, the Hong Kong Museum of Art has been closed in its entirety for expansion and renovation works which will last for three years. Exhibition space will increase by more than 40% after completion of the works in order to further promote art. The Government will renew the permanent exhibitions of its 5 museums from 2017 to 2021.
- From December 2015 to April 2016, launched the “Appreciate Hong Kong” Campaign. The month-long free museum admission under the Campaign has been well received by the public. The Government will make free admission to permanent exhibitions of designated museums of the Leisure and Cultural Services Department a standing practice. Subject to the passage of the Public Health and Municipal Services (Fees and Charges) (Museums) (Amendment) Regulation 2016 within this

current legislative session, the new initiative will come into effect on 1 August 2016.

- Subsequent to the promulgation of the first Hong Kong Intangible Cultural Heritage (ICH) inventory in June 2014, the Intangible Cultural Heritage Office (ICHO) set up in 2015-16 is now drawing up the first representative list of ICH of Hong Kong and the proposed list is expected to be completed in late 2016. The ICHO will set up an ICH Centre at the Sam Tung Uk Museum, Tsuen Wan to be open to the public in mid-June 2016 and will organise related exhibitions and educational activities therein on a regular basis.
- There has been significant progress for the West Kowloon Cultural District (WKCD), with the layout becoming visible. The Nursery Park was open in July 2015. The free outdoor event “Freespace Happening” held at the Nursery Park was scheduled more frequently, from once to twice every month, between December 2015 and March 2016. The first permanent facility in WKCD, M+ Pavilion (previously Arts Pavilion), will be completed and open in mid-2016 for small exhibition. Construction works for 3 major venues are progressing well: Xiqu Centre and M+ are expected to be completed in 2017 and 2018 respectively, and the foundation works for the Lyric Theatre Complex commenced in January 2016. Construction works for the WKCD Park and Freespace (including Outdoor Stage and Black Box) will start soon.