

同行 WeCONNECT

Connecting for Consensus and A Better Future

Manifesto of Carrie Lam
Chief Executive Election 2017





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1. Introduction

I come from a grassroot family and did my homework on a bunk bed when I was a student. I appreciate the efforts of the previous generations in developing Hong Kong, which provided me with many opportunities. However, divided opinions in our society now are holding us back, and opportunities have been missed for Hong Kong as a whole. But I still firmly believe that Hong Kong's foundation is strong, and we have many talents in the community. I firmly believe we have the ability to scale even greater heights.

I decided to contest the Chief Executive election because I love this city and I care for the well-being of our 7 million population who live here. I am willing and ready to lead the politically appointed officials and our 170000 civil service. I appeal to you for support to become the next Chief Executive of Hong Kong.

On leaving school, I joined Government. Through 20 postings in my 36-year public service career, I dedicated myself to serving the people of Hong Kong and acquired a thorough knowledge of how the Government operates. My three years as the Director of Social Welfare allowed me to venture deep into the lives of the man in the street, and I understand the needs of the underprivileged. In the seven years I spent managing public finances, I learned to appreciate that public resources do not come easily and must be spent wisely. Having become a politically appointed official 10 years ago, I realise the importance of political interactions in getting policies implemented; as well as the necessity of public engagement and community consensus.

Six weeks into the Chief Executive election, and after "heart-to-heart" conversations at nearly a hundred meetings with different sectors, I become increasingly concerned about the challenges that Hong Kong's economy is facing and understand better why our younger generation feel lost about their future. I feel even more anxious now that the ongoing conflict within our society has caused Hong Kong to let opportunities slip.

I am worried, but not discouraged. Hong Kong has a strong base – our rule of law, our freedoms, our systems, our talents – and the unique advantages of "One Country, Two Systems". With these strengths, we can catch up the lost ground. My election slogan is "同行 WeCONNECT". If I became the Chief Executive of the Hong Kong Special Administrative Region, my priority would be to unite everyone in society and connect with our citizens to develop our economy, improve people's livelihood, promote a more democratic society and re-ignite hope for our next generation. I believe that if we could regain confidence, face the pressing problems of our society with courage, and resolve differences through mutual understanding, our vision for Hong Kong is within both sight and reach.

2. Reinforcing Our Strengths, New Style of Governance

Reinforcing Our Strengths

- 2.1 Hong Kong has been able to evolve from a small fishing village into an international metropolis because of our advantageous geographical location, and the efforts of many generations of hard working Hongkongers.
- 2.2 More than 19 years after the Reunification, we have successfully implemented the “One Country, Two Systems” concept and are practising a high degree of autonomy. With the strength of the Nation behind us, we also enjoy the unique advantages of “Two Systems”.
- 2.3 With “One Country”, we benefit from the vast resources and the rapid social and economic developments of our country as well as the support given to us in many aspects. Under “Two Systems”, Hong Kong has been able to maintain its institutions and connectivity with the rest of the world. Helped by China’s development, Hong Kong stands to benefit from a greater range of opportunities.
- 2.4 These strengths and opportunities have created a favourable business environment in Hong Kong. Close to 8000 Mainland and overseas enterprises have set up their offices here, with about half of them choosing us in which to base their Asia or Asia-Pacific regional headquarters or offices.
- 2.5 Hong Kong’s strengths are widely recognised internationally. For 23 years, Hong Kong has been rated the freest economy worldwide by the US think tank, the Heritage Foundation. The World Competitiveness Yearbook 2016 has also ranked us the most competitive economy in the world. This reputation has been hard won.
- 2.6 Through immense contributions made by Hong Kong people and countless challenges overcome, we have established our core values including an independent judicial system, adherence to the rule of law, a highly efficient and clean Government, and a strong respect for human rights and freedoms. Freedom of the press is also very important to an international metropolis like Hong Kong. Many international news agencies, newspapers with worldwide circulation, and overseas broadcasting companies use Hong Kong as their regional headquarters or set up offices here. Many regional publications are also printed in Hong Kong, a strong reflection of Hong Kong as a centre for finance, business and communication. All the advantages of our system, rights and freedom that we enjoy are protected by the Basic Law.

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- 2.7 At the same time, Hong Kong is one of the safest cities in the world. In 2016, there were only 825 crimes recorded for every 100000 inhabitants, a 9.2% fall from 2015 and a new low since 1972. Good law and order is one of the significant considerations for overseas enterprises to invest in Hong Kong.

Policy Initiatives

- 2.8 If elected, I will strictly adhere to the Basic Law and be accountable to the Central People's Government and the Special Administrative Region of Hong Kong. I will adhere to the principles of "One Country, Two Systems", "Hong Kong People Administering Hong Kong" and a high degree of autonomy. I will be unwavering in working with every one of you to reinforce Hong Kong's strengths and advantages.

Prevention of Bribery Ordinance

- 2.9 I shall resolve as soon as possible those constitutional and legal issues aiming at amending the Prevention of Bribery Ordinance to extend the scope of Sections 3 and 8 to cover the Chief Executive.

Political Reform

- 2.10 I absolutely understand Hong Kong people's, particularly our young people's desire for universal suffrage. I also appreciate the importance of "One Person One Vote" in an election to garner greater recognition of the Chief Executive and his Administration, as well as the credibility of the Legislative Council.
- 2.11 However, I am also mindful of the controversial nature of these issues. The Government must not act rashly and must prudently consider all related factors in this regard. We must seek consensuses at a suitable timing and in appropriate circumstances. If elected, I will do my best to work towards creating a favourable atmosphere to take forward political reform within the framework of the "831 Decision".

Enacting Legislation for Article 23

- 2.12 Legislating for Article 23 of the Basic Law is a constitutional duty of the Hong Kong Special Administrative Region Government. In addition, the world has become complicated and uncertain, hence, increasing the importance to legislate for national security here in Hong Kong. But past experience tells us that this subject is highly controversial and could easily cause social disturbance. For this reason, the Government has to weigh the pros and cons and act cautiously to try and create the right social conditions for legislation.

Archives Law

- 2.13 I place great importance on the integrity of Government records and hold a positive position towards the passing of a law to that effect. The Government will follow up on this after receiving from the Law Reform Commission the report which it will compile with extensive consultation.

Judicial Independence

- 2.14 The Chief Justice of the Hong Kong Court of Final Appeal has consistently spared no effort to maintain the high quality and standards of our judicial officers. The Government should fully support and accommodate the resource requirements of the Judiciary.

Injecting New Styles

- 2.15 Our strengths and advantages in many aspects have recently been challenged as a result of both political issues here in Hong Kong and the economic situation overseas. Hong Kong has also been experiencing social conflict and economic slowdown during the past few years, causing many people to become concerned and even discouraged. I pledge to rebuild a harmonious society and restore confidence in our Government. Government policy implementation must be more closely aligned with public opinions. To achieve this, I will introduce a New Style of Governance, create New Roles for Government and adopt a New Fiscal Philosophy.

A New Style of Governance

- 2.16 My new style of governance will include the following:
- (i) **Public participation and discussion:** We must make sure that during the formulation of policies we encourage discussion and listen. We should canvass opinions from all sectors of society, especially relevant stakeholders, those who work on the frontline and the youth, with a view to seeking consensus in society.
 - (ii) **Attracting talent widely and on merit:** My governing team will come from a wide spectrum of talents from the community. Anyone who has a sincere wish to serve the people of Hong Kong and is competent may be invited to join the various statutory and advisory bodies, regardless of their political affiliation. In addition, I will implement a pilot “self-recommendation” scheme to attract applicants from different backgrounds for certain advisory committees.

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- (iii) **Being more transparent and sharing information:** We will increase the transparency of Government information and data. Measures include opening up more Government data for social policy research and public participation in policy formulation.
 - (iv) **Evidence-based, innovative approach:** We will use objective research and hard evidence to review existing policies with a view to identifying and creating benefits and possibilities for better public services.

New Roles for the Government

2.17 To enhance Hong Kong's competitiveness, Government's role has to change. The Government has traditionally acted as a “regulator” and “service provider”. But with the advent of globalisation and technology, and the changing lifestyle and corresponding requirements of society, the Government also needs to change and adapt.

2.18 The new roles of the Government proposed by me include:

- (i) **Public Service Provider:** We should provide services that are reliable, professional and cost effective. We should also make good use of technology, be people-oriented and facilitate business.
- (ii) **Regulator:** In exercising our regulatory functions, we must consider the needs of market development and exercise regulatory control without compromising efficiency and with rules clearly stipulated.
- (iii) **Facilitator:** Using policy objectives as the yardstick, we should better co-ordinate and co-operate across Government departments to provide “one-stop-shop” services and consultation to maximise benefits for our society.
- (iv) **Promoter:** Together with the relevant organisations and industry representatives, we should conduct “Government to Government” dialogues and engagement with outside entities to strengthen links between Hong Kong and the Mainland as well as other countries, to elevate Hong Kong's status as Asia's international city, and attract both Mainland and international enterprises and talents to set up offices in Hong Kong.

New Fiscal Philosophy

2.19 On the premise of ensuring the stability of our public finances, my new fiscal philosophy aims to wisely use our accumulated surpluses for the community.

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- (i) **Seize the Opportunity and Invest for the Future:** People and land are precious assets of our society. They are also the core elements in our economic and social development. Only by investing more generously can we bring about long term returns for society. In this way, government revenues will increase continuously, thereby enabling us to make further investments for our future.
 - (ii) **Timely investments as preventive measures:** If we make the right investments and in a timely manner we can reduce the extra expenses which may have to be incurred if action is delayed. Expenditure for preventive medical care, training, re-training and investment in social enterprises can all add value to society;
 - (iii) **An Effective Fiscal Policy for Economic and Social Development:** To increase Hong Kong's competitiveness and create benefits for society, we will look into how we may identify options such as the provision of subsidies or revision of government fee charging policies, or making concessionary adjustments in land premiums etc.; and
 - (iv) **New Direction for Taxation to Enhance Competitiveness:** While maintaining a simple tax system, we should also make targeted reductions in tax rates to alleviate the tax burden of companies in order to support certain industries and to steer social and economic activities. This will enhance Hong Kong's competitiveness in the long run.

3. Diversified Economy, Better Jobs

My Belief

- 3.1 Hong Kong's core values, our geographic advantage and free and open market make us one of the most competitive economies in the world. Nevertheless, with intensified competition from other regional and global economies, the advantages of Hong Kong's traditional industries are shrinking. With the global economic slowdown and the rise of protectionism, these challenges are even more pronounced. We should therefore strive for innovation and develop a high growth and more diversified economy, and grasp opportunities from the "Belt and Road" initiative to inject new impetus into the development of traditional industries that have enjoyed distinct advantages.
- 3.2 In addition, there are at least two emerging areas in which we have potential and advantages: innovation and technology, and creative industries. We should increase our investment and create a favourable environment in terms of policy, land and talents to develop such activities in Hong Kong. They will not only enable Hong Kong's economy to become more diversified but also bring quality employment opportunities for our young people, which will in turn provide them with opportunities beyond those traditional industries for upward mobility.

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- 3.3 A dedicated chapter on Hong Kong and Macao in the "Outline of the 13th Five-Year Plan for the National Economic and Social Development of the People's Republic of China" acknowledges the significant functions and positioning of Hong Kong in the Nation's development, as well as the scope and opportunities for development in a number of key areas. To fully realise the growth potential of Hong Kong's economy, we must strengthen the role of the Government. In addition to being a good "service provider" and "regulator", the Government should also act as a "facilitator" and "promoter". It should co-ordinate different internal departments to facilitate co-operation among the private and public sectors as well as synchronising "Government, industry, academia and research" to allow our traditional and emerging industries to develop simultaneously.

Policy Initiatives

Finance

- 3.4 Hong Kong benefits from "One Country, Two Systems" and enjoys the advantage of being an international city. The opportunities provided by the development of China and other Asian countries, coupled with Hong Kong's efficient and transparent regulatory systems, our free flow of information, and our success in attracting global capital and talents have always contributed to our strong international position in financial services. We must do our best to build on this foundation and strengthen the protection of our monetary and financial systems. We should also enhance our risk management and fund raising capacity to secure our position as an international financial centre.

- *Monetary Stability*

- 3.5 Risks and uncertainties in international monetary systems continue to rise. Under the present political and economic environment, the Linked Exchange Rate System or "The Peg" continues to be in the best interest of the Hong Kong for now and in the foreseeable future. We must do our utmost to safeguard the sound structure of our monetary system and maintain the confidence that Hong Kong and the international community have in our monetary system.

- *Financial Safety*

- 3.6 To ensure the safety of our financial system, we must enhance the day-to-day communication among regulatory departments so that they can update their emergency plans to handle serious financial incidents, and share analyses and risk migration measures on how to keep the financial systems safe. At the same time, we should make use of existing statutory consultative mechanisms and introduce new channels to exchange ideas and strategies with the industry on financial safety matters.

- *Finance Serving the Economy*

- 3.7 To encourage the financial market to serve the economy, we can draw on the experience elsewhere and introduce market-oriented financing models to turn Hong Kong into a broader platform for fund raising in the new economy. We also need to attract more private equity funds of different types to invest in Hong Kong and address the long-standing problem of fund shortage faced by start-up enterprises and those engaged in emerging businesses. We should join hands with the financial sector so that the financial market can serve the real economy, simplify the regulatory and compliance processes, and streamline procedures and work flows for accepting customer applications, opening accounts, selling products and serving customers, to provide the necessary financial services for legitimate economic activities. At the same time, we need to encourage the diversification of the financial industry to allow institutions of different capital backgrounds and sizes to compete and co-operate with each other, thus enriching the choice of financial services available to customers. We can also explore ways to augment the scope of qualified financial institutions in providing financial services to the Government. Through industry training and introduction of academic courses, we can foster a culture of finance serving the economy.

- *International Financial Centre*

- 3.8 Maintaining Hong Kong's status as an international financial centre is a requirement stipulated clearly in Article 109 of the Basic Law. Whether Hong Kong can maintain this status depends on our ability to play an important role in the movement of funds and capital between the Mainland and other countries, which allows Mainland fund/capital raisers to access foreign funds/capital in Hong Kong. While there is no foreign exchange control in Hong Kong, the Mainland still exercises controls on the capital accounts. Whether Mainland investors and fund raisers can connect with the outside world via Hong Kong will depend on Mainland policies.
- 3.9 To succeed in maintaining our position as an international financial centre, the Government has to ensure the soundness and stability of our financial system. At the same time, the Government should also act as a “facilitator” and “promoter” to create more opportunities for the financial industry under the new economy. To achieve this, Hong Kong’s regulatory bodies should work with their counterparts in the Mainland under the “One Country, Two Systems” principle to increase high level exchanges and establish working channels between the policy making and regulatory entities of the two places (which are separate). In this manner, the Government will become a bridge between the financial industries of Hong Kong and the Mainland. Through deepening co-operation between the financial industries of the two places, we can pave the way for Hong Kong financial institutions, including banks, securities companies and insurers to play a more active role in China’s development, regulatory controls and the internationalization of the RMB, thereby highlighting the unique advantage of Hong Kong in the offshore market.

- *Offshore RMB Business Hub, International Asset Management Centre*

- 3.10 To reinforce our position as an offshore hub for RMB business, we shall strive to increase the scale, variety and frequency of bonds issued in Hong Kong by the Central People's Government, regional governments and financial institutions. We shall explore the possibility of a "Mainland-Hong Kong Bond Connect" for direct access to the Mainland bond market with an aim to enhance the circulation of RMB products, as well as enriching RMB-denominated financial products and funds businesses to strengthen Hong Kong's position as an international asset management centre.
- 3.11 In addition, we shall seize the opportunities arising from the national strategies of the Mainland to derive more benefits from the Mainland and the Hong Kong Closer Economic Partnership Arrangement (CEPA) framework. We shall seek to sign a comprehensive "Belt and Road" co-operation agreement with the Mainland to build Hong Kong into a financial service hub for "Belt and Road" projects. We shall also encourage long term asset funds to invest and finance "Belt and Road" infrastructure projects. Enterprises will be encouraged to use Hong Kong as a platform for insurance and risk management for cross-boundary investments. By doing so, Qianhai, Shenzhen and other Mainland free trade zones will be incorporated into our strategic vision to enhance co-operation between Hong Kong and Mainland regions.
- 3.12 At present, some joint venture financial enterprises between Hong Kong and the Mainland still experience difficulties in the planning process, which involve some detailed arrangements such as implementation standards, mutual recognition of qualifications and the granting of financial permits. The Government will intensify its efforts to open the way for Hong Kong enterprises to expand in the Mainland. By having both "big and small doors" opened, Hong Kong businesses and Mainland financial enterprises will be able to interact and complement each other on a level playing field.

- *Training of Practitioners*

- 3.13 Personnel training is one of the keys to our financial services sector's success. We shall strive to develop Hong Kong into a training hub for financial services personnel by allocating more resources and offering financial assistance to recognised professional qualification bodies such as those in the banking, securities and insurance sectors to provide professional training and post-qualification continuing training. We shall also encourage financial companies to provide internships and employment opportunities to qualified professionals. Such measures will attract more new blood to enhance the competitiveness of financial practitioners and promote continuous development of the industry. At the same time, we shall strengthen local qualification awarding bodies for financial professionals, promoting the recognition of their qualifications and the influence of these bodies on the Mainland and in the region to create more opportunities for Hong Kong financial professionals.

- *Financial Leaders Forum*

3.14 The Government should play a more active leading role on policymaking and matters relating to monetary stability, financial safety and regulation as mentioned above to reinforce Hong Kong's position as an international financial centre. To achieve this and to strike a balance between market development and protection of account holders, consumers and investors, we shall set up a "Financial Leaders Forum" to be chaired by the Financial Secretary. The forum will bring together key officials, policy bureaux, financial regulatory bodies and the Financial Services Development Council. It will set up a mechanism through which the strategic and forward looking proposals on the above-mentioned areas will be tabled and followed up by the designated government departments. Besides, we shall allocate sufficient resources to the Financial Services Development Council to increase Hong Kong's competitiveness in the international market, strengthen our capacity for market expansion, promote market development and cultivate professionals.

- *Financial Innovation*

3.15 Moreover, we shall encourage Hong Kong's financial enterprises to keep abreast of the time and participate in financial innovation (including financial technology, or FinTech) and green finance. Such innovative business models may adopt a "launch and try first" regulatory approach, in which innovative means will be used to guard against financial risks in order to provide safe and quality services to financial service users. At the same time, we shall promote sustainable economic development and identify opportunities for green finance investments. The promotion of Hong Kong's advantages as a capital market will be strengthened so as to develop Hong Kong into a pioneer in green finance.

Shipping and Logistics

3.16 The industry is facing intense competition in the international market. The Government should therefore take the lead to formulate strategic plans for the comprehensive development of the shipping industry, which includes human resources and marketing. We should promote services such as shipping finance (including financing and insurance), arbitration, and vessel registration services, to add value to our shipping and logistics industries.

3.17 We shall also develop Hong Kong into an arbitration centre for disputes arising from maritime businesses in a bid to participate actively and extensively in maritime-related "Belt and Road" projects.

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- 3.18 We shall provide resources to the newly formed Hong Kong Maritime and Port Board, and work closely with the Hong Kong Shipowners' Association to boost communication and co-operation with other countries and the Mainland. We shall also actively promote the functions of our shipping finance services.
- 3.19 At the same time, we shall ensure the completion of the Three-Runway System, Hong Kong-Zhuhai-Macau Bridge and the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section). Their ancillary facilities will be fine-tuned to increase Hong Kong's air and land transport throughput. This will place us in an advantageous position to increase business opportunities in shipping and logistics, and reinforce our status as an air transport hub and shipping centre.

Tourism, Hotel, Retail and Catering Industries

- 3.20 Tourism makes important contributions to Hong Kong's economy, and in turn spurs the development of the retail, catering and hotel industries. We should develop high-end tourism and explore new areas such as eco-tourism, cultural tourism and shopping precincts with local and traditional characteristics so that people with different interests will be attracted to visit and spend in Hong Kong. To that end, we shall keep improving the infrastructure and training of industry workers.
- 3.21 I take note of the issues that affect tourism, which include the regulation, manpower supply and the supporting infrastructure. I am also aware that the industry has been calling for the establishment of a Tourism Bureau. Pending further deliberation on re-organising the Government structure, I shall set up a high-level co-ordinating committee to firstly respond to the more urgent issues faced by the industry.
- 3.22 Hong Kong should host more world class exhibitions, conferences, sports events and cultural activities. In addition to attracting tourists, more quality leisure activities will upgrade the quality of life of our citizens. We shall make efforts to attract more mega events and activities to be held in Hong Kong. The Government will play the role of "facilitator" and "promoter" to provide one-stop solutions to these events so that Hong Kong will become a Capital of International Events.
- 3.23 To dovetail with the Government's policy on technology and innovation, we shall increase the availability of Wi-Fi hotspots in different parts of Hong Kong for the convenience of Hong Kong residents and tourists alike.
- 3.24 We shall maintain our reputation as a "shopping paradise" and "food paradise" by addressing the difficulties faced by the hotel, retail and catering industries. We shall also help them utilise the technologies available and nurture talents.

Professional Services

- 3.25 Professional services in Hong Kong, such as accounting, legal, arbitration, risk assessment, information technology, construction and engineering, consultancy and project management are widely recognised on the Mainland and in foreign markets.
- 3.26 We should extend our presence in the Mainland and the “Belt and Road” countries to create more business opportunities for our professional services and to develop new markets.
- 3.27 When we sign trade agreements with the Mainland authorities and other governments, we shall proactively urge our partners to open up their markets to Hong Kong professionals and companies providing professional services. At the same time, we shall allocate more resources to promoting Hong Kong as a hub for high-end professional services for the “Belt and Road” initiative. Through the CEPA framework, we shall assist professional service companies to further expand on the Mainland.

Textile and Clothing Industries

- 3.28 The textile industry involves many sub-industries such as spinning, weaving, knitting and fabric finishing. To tackle the challenges posed by global economic integration, the textile and clothing industries have to adopt innovative technologies and move towards high-value added production lines. By supporting their product research and development activities, upgrading their production technologies and fostering the co-operation amongst the “Government, industry, academia and research sectors”, we shall facilitate the development of the textile and clothing industry in Hong Kong.

Re-industrialisation

- 3.29 Although the production base of Hong Kong industries has been relocated to the Mainland and other places, the adoption of innovation and technology may keep some of the high-end and innovative production procedures in Hong Kong. We shall facilitate co-operation between research and development institutions and production departments to bring momentum to re-industrialisation.

Supporting Small and Medium Enterprises

- 3.30 There are over 300000 small and medium enterprises (SMEs) in Hong Kong, mostly involved in import/export and wholesale businesses. SMEs account for 98% of the total number of commercial units in Hong Kong and about 46% of employees in private sectors are employed by SMEs.

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- 3.31 I shall enhance the support for SMEs. The Government should also set up an inter-departmental platform to promote the development of e-commerce. Hong Kong's high-quality products have great potential in the Mainland market. I shall conduct a comprehensive review on the government-administered or guaranteed funds, determine the policy objectives and remove encumbrances to support these enterprises. (Also see Chapter 7)

Innovation and Technology

- 3.32 The Government should be more determined and confident in developing innovation and technology, play its role as “facilitator” and “promoter” to the full, and helping the industry remove constraints and to catch up with the ever-changing international trends in innovation and technology, as well as provide space for the application of innovation and technology in various industries.
- 3.33 I shall press ahead with the “Hong Kong-Shenzhen Innovation and Technology Park” project located in the Lok Ma Chau Loop and complete the expansion of the Hong Kong Science and Technology Parks as quickly as possible to increase the supply of suitable space.
- 3.34 We should strategically attract internationally well-known and recognized leading companies to set up in Hong Kong (such as by tax and land concessions). Such leading companies can provide training for our professionals in the innovation and technology industries, allowing local startups to learn the “best practices” in the industry and start up their businesses successfully.
- 3.35 The Government can play a greater leading role in the application of innovation and technologies. I shall make great efforts to improve the standards of our public services by means of modern technologies, including the application of technologies to improve the efficiency in providing services for the elderly.
- 3.36 The Government will consider adjusting its procurement policy to include research and development in innovation and technology as relevant criteria, rather than only considering those bidders with the lowest prices, so as to increase the interested bidders' commitment of resources in research and development.
- 3.37 The Government will strive to examine the implementation of the Smart City Development Blueprint for Hong Kong which will be completed in the middle of this year and explore the feasibility of developing Hong Kong into an even more advanced and liveable smart city, with Kowloon East as a starting point.

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- 3.38 In training talents, the Government should examine how to make Science, Technology, Engineering, Mathematics (STEM) education more popular to nurture talents for the innovation and technology industry.
- 3.39 We should revamp the content of the Hong Kong Science Museum as soon as possible, taking reference from good examples overseas, to stimulate children's interest in innovation and technology from a young age while providing a new attraction for tourists.
- 3.40 I agree on the importance of the testing and certification industry in the innovation and technology ecosystem, which can play an important role in the process of research and development and commercialization and bring confidence to customers and citizens. Apart from direct economic contributions, the testing and certification industry can also support other industries (such as manufacturing and export industries). I shall strive to push the Government to move forward in further upgrading the status of the industry through the Hong Kong Council for Testing and Certification.

Creative Industries

- 3.41 Young people of Hong Kong possess great creativity and have enormous potential in areas such as performing arts, computer design, comics and animation as well as film making. The Government should remove barriers hindering the development of creative industries and create the right conditions for young people to develop their potential.
- 3.42 On the premise that fire safety is taken care of, I shall consider the possibility of further relaxing the limitations on lower floors of some industrial buildings, so that those industrial buildings can be used by companies engaged in creative industries.
- 3.43 I shall consider the formulation of procurement policies to provide a “pitch fee” for all shortlisted bidders of design-related tendering projects (including public works projects tendered through design-and-build contracts) so as to facilitate the development of the design industry.
- 3.44 In the face of competition from various countries, we should continue to nurture talents in the film industry by providing training to those involved in film production and post-production, and provide assistance in the further development of the industry. On the premise that adequate consensus is reached in society, I shall also seek to amend the Copyright Ordinance as soon as possible, so as to better protect the industry against infringing acts and copyright piracy.
- 3.45 We shall actively promote a reading culture, study the introduction of “public lending right” in our public libraries and step up discussions with relevant authorities on the Mainland for Hong Kong publishers to obtain the right to publish in China (Shuhao) to broaden their market.

Agriculture and Fisheries Industry

3.46 Although the agriculture and fisheries industry does not make up a large part of our economy today, they did make important contributions to our development in the past. The sector still provides fresh local produce and flowers to Hong Kong, offering a welcome choice to our citizens. I shall examine ways to remove barriers for the industry, improve their operating environment, implement the New Agriculture Policy and resolve problems such as difficulties in making applications for agricultural and fisheries development funds. We shall also promote leisure fishing and assist the agriculture and fisheries industry to solve issues concerning Mainland authorities relating to the development of the industry.

The New Role of Government in Promoting Economic Development

3.47 In order to support the development of industries, the Government should play a new and more pro-active role in at least the four following areas, and introduce more innovative measures for facilitating business operations, so as to support the development of various industries.

- *New Direction for Taxation*

3.48 Apart from maintaining a simple tax regime and low tax rates, I propose to adopt a competitive new direction for our tax policies which will strategically utilise different financial and tax measures to promote the growth of relevant industries and enterprises as well as social and economic development.

3.49 First, I propose to introduce a two-tier profits tax system to reduce the tax burden on enterprises, especially small, medium and startup enterprises. The profits tax rate for the first HK\$2 million of profits will be lowered from the current 16.5% to 10%. This will mean a tax reduction of 40% for tens of thousands of enterprises. (The tax rate for profits beyond the first HK\$2 million will remain unchanged.)

3.50 At present, the research and development (R&D) expenditure in Hong Kong only accounts for 0.74% of our GDP, which is far lower than our neighbouring countries and places such as Singapore (2%), Taiwan (3%), Shenzhen (4%) and South Korea (4%). In fact, 56% of our R&D spending comes from the public purse.

3.51 Hong Kong needs to propel its economy with innovation. For that we have to introduce additional tax deductions to encourage R&D. The spending of enterprises on R&D will enjoy tax deductions that are higher than the relevant amounts actually spent, such as 200%. Additional tax deductions may also apply to spending on environmental protection initiatives, culture, arts and design so as to promote the development of these industries.

3.52 Next, in order to thoroughly keep up my guiding principle of public participation in policy formation, I shall host a “Summit on the New Directions for Taxation” so as to incorporate the views of citizens from all walks of life in drafting forward-looking tax policies and measures. For example, we could consider offering tax concessions to regional headquarters that are established in Hong Kong to boost our competitiveness, create a diversified economy and promote the goal of better social development.

3.53 We need to allow investors to obtain a more accurate assessment of their tax burden so that more foreign companies will be attracted to invest in Hong Kong and Hong Kong companies can be encouraged to invest abroad. We shall therefore hold discussions with more trading partners through overseas visits by our high-level officials and increasing resources allocated to the relevant departments, so as to expand the network of countries with which currently we have Comprehensive Double Taxation Agreements.

- *Creation of Space*

3.54 To ensure that our enterprises can have adequate space for business operation and development, I shall make utmost efforts to develop more land for industry and commerce. Measures include encouraging successful revitalised industrial building owners to rent out parts of their buildings as “co-working space” at concessionary rental. We shall also study the possibility of further relaxing the relevant limitations on lower floors of industrial buildings so that they can be converted more easily for non-industrial purposes, subject to fire safety requirements.

3.55 In order to grasp the opportunities arising from the completion of the relevant infrastructural projects in future, we shall develop Lantau Island to connect with the Pearl River Delta, and to promote the development of the region. In this connection, we shall expeditiously implement the First Phase of the Hong Kong International Airport North Commercial District Development Project.

- *Promoting External Affairs*

3.56 I, and relevant officials, will regularly lead trade delegations and bring young professionals and business leaders to different economies including those countries along the “Belt and Road” alignment, hence reinforcing our links with other countries on a “Government to Government” basis.

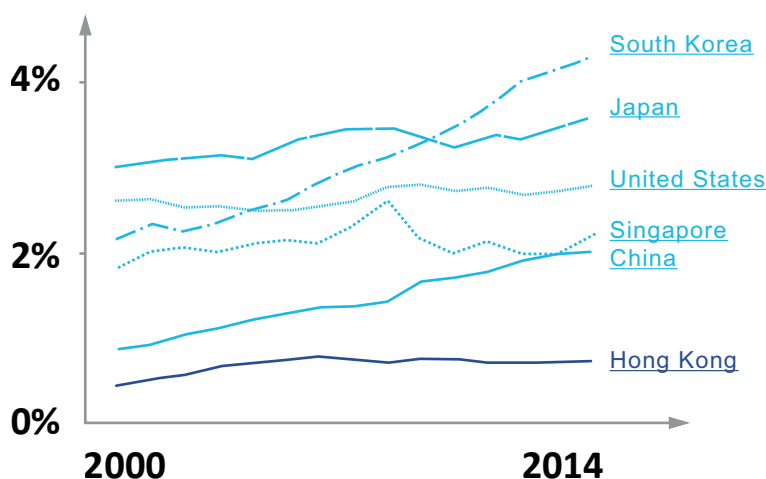
3.57 While setting up more economic and trade offices both in the Mainland and overseas, we should put in place concrete targets for them to meet. They should focus on industries that are competitive in different regions and Hong Kong's own needs, and to seek active overseas co-operation and expansion opportunities for local industries and enterprises. They should, at the same time, take an interest in the investments and operations of Hong Kong companies abroad to enhance the role of these overseas offices as Hong Kong's "economic ambassadors".

3.58 As our role changes from a simple "connector" with the Mainland and other economies, to one of "investor" and "operator", we must actively seek to sign agreements on free trade and protection of investments as well as sign bilateral/multilateral agreements for specific industries, thereby enhancing the two-way investment flows and propelling our local economy.

- *Training of Talents*

3.59 The continuing development of Hong Kong's economy requires a supply of talents for different sectors. We will examine related resources and measures and set up a "Commission for the Planning of Human Resources", which will be chaired by the Chief Secretary, for the training of professionals for different industries such as finance and shipping. The Commission will also strive to upgrade the professionalism and recognition of industry practitioners for the further development of such industries.

Hong Kong R&D investments lag behind International counterparts



R&D spending as % of GDP

Sources: Census and Statistics Department, World Bank, OECD

4. Professional-led Quality Education

My Belief

- 4.1 Talent is the most important element in Hong Kong's continued development, and education is the key to nurturing talent. Government expenditure on education is therefore the most significant investment for our future.
- 4.2 The goal of our education policy is to nurture future generations to become citizens who are socially responsible and equipped with a sense of national identity, a love for Hong Kong and an international perspective.
- 4.3 The Government should create a stable, caring, inspiring and satisfying teaching and learning environment for students, teachers, principals and parents. But the success in education requires the collaborative efforts of all who care about our next generation.

Policy Initiatives

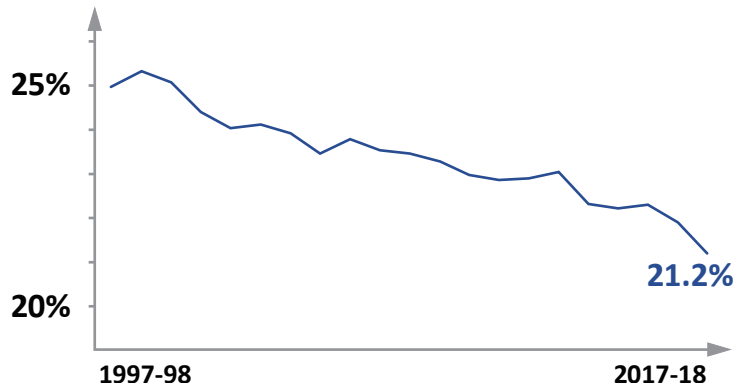
Comprehensive Review Led by Professionals

- 4.4 In recent years, we have witnessed problems in both the overall philosophy and implementation of Hong Kong's education policies. The Government will conduct a comprehensive review of our education system.
- 4.5 I shall invite education experts, including professionals who understand the situation of frontline teachers, to conduct the review.

Simplifying Policies and Reducing Pressure

- 4.6 Before the comprehensive review is completed, I shall suspend the Primary Three Territory-wide System Assessment component of the Basic Competency Assessment (TSA / BCA) to reduce pressure on students and parents.
- 4.7 The Education Bureau will be requested to conduct a prompt review of its role in the supervision of schools, with an aim to refocusing the Bureau's involvement to improving the teaching environment. The review should also aim to reduce unnecessary administrative, reporting, and documentation work, so as to reduce pressure on principals and teachers.

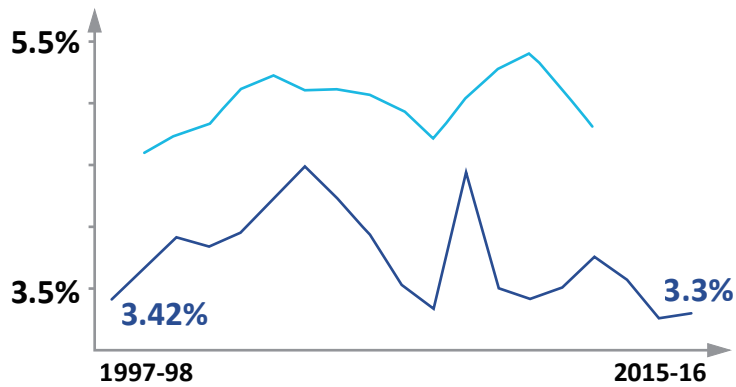
Hong Kong Government's recurrent spending on education as a share of overall is at a new low since handover



Recurrent education spending as % of overall

Sources: Financial Services and the Treasury Bureau, Census and Statistics Department

Hong Kong Government spending on education well below other high income economies



Government spending on education as % of GDP :

- High-income economies
- Hong Kong

Sources: Census and Statistics Department, World Bank, and Financial Services and the Treasury Bureau

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- 4.8 Consideration will be given to re-establishing a dedicated unit for conducting teaching research to assist teachers and schools in enhancing their professional standards, and to continuously improve teaching methods and strategies. The unit would also ensure that education policies have been professionally scrutinised and thoroughly discussed before they are implemented.

New Style Through Active Listening

- 4.9 In order for the Chief Executive (CE) to listen directly to views from the sector and to chart the future together with stakeholders, I intend to hold an annual "Chief Executive Summit on Quality Education", which will be chaired by me personally. Representatives of all stakeholders in the education sector, including frontline teachers, will be invited to the Summit.

New Resources for Education

- 4.10 Education requires dedication and sincerity. Money alone cannot solve the problems faced by the education sector. Yet, undoubtedly, some problems urgently call for additional resources. I therefore propose to immediately increase recurrent expenditure on education by HK\$5 billion a year.
- 4.11 I shall engage stakeholders in the education sector in an immediate discussion on how exactly the additional HK\$5 billion should be spent. We will, together, prioritise and address issues that have been raised by the sector, including but not limited to the following:
- (i) Establishing a pay scale for kindergarten teachers;
 - (ii) Improving the staffing establishment of primary and secondary school teachers;
 - (iii) Converting short-term contract teaching posts to permanent ones;
 - (iv) Enhancing support for integrated education and special education;
 - (v) Upgrading the hardware and software provided for schools;
 - (vi) Granting financial aid to secondary school graduates to enable them to pursue degree courses in self-financing tertiary institutions; and exploring the feasibility of flexible repayment arrangements for newly graduated students of tertiary institutions to reduce their burden in paying back tuition loans.

4.12 While conducting the comprehensive review of our education system, I believe it will be worthwhile to seriously consider views that have been raised by the community. For example:

- (i) Establishing a professional ladder for primary and secondary school teachers, recognising teachers with expertise in certain subjects, and encouraging teachers to acquire specialised skills in teaching Chinese as a second language and students with special educational needs (SEN), etc;
- (ii) Strengthening the all-round development of students through reviewing the existing curriculums and providing more room for students to participate in arts, culture and sports activities;
- (iii) Strengthening the promotion of STEM (science, technology, engineering and mathematics) education and studying the possibility of increasing relevant funding to schools, and introducing computer coding as early as possible into school curriculums to better equip students for future opportunities arising from the rapid development of science and technology and globalisation;
- (iv) Amending the secondary school curriculum to make Chinese History a standalone and compulsory subject for junior secondary school students;
- (v) Refining the assessment criteria for the Hong Kong Diploma of Secondary Education Examination (HKDSE) including the refinement of the grading approach for Liberal Studies and simplifying the school-based assessment (SBA) model.
- (vi) Caring for the physical, mental and spiritual needs of students through school-based Life Education and co-operation with families to strengthen students' resilience and enhance their emotional well-being; and to support schools in this regard.

Supporting Students with Different Needs

4.13 We need to strengthen support for SEN students, review the effectiveness of integrated education, and consider regularising the Pilot Project on Special Educational Needs Co-ordinators (SENCOs) currently funded by the Community Care Fund.

4.14 I shall request the Education Bureau to assess the effectiveness of the current policy and measures to help ethnic minority students learn Chinese as a second language, and to incorporate the views of relevant teachers, parents, principals and concerned groups in conducting a review and making improvements.

Vocational Education

- 4.15 We shall enhance support for schools in implementing life planning by studying the possibility of providing specialised training for teachers of career planning courses, and facilitating co-operation between businesses and schools to provide students with workplace experience as early as possible to give them a better understanding of the employment opportunities available.
- 4.16 We shall strengthen the promotion and recognition of vocational education as an alternative to traditional academic institutions, giving students a wider range of choices of education and employment opportunities.
- 4.17 We will improve facilities and policy support for vocational education, such as supporting the expansion of the Vocational Training Council (VTC) campuses; and matching courses offered by the VTC with the findings of the "Report on Manpower Projection" compiled by the Labour and Welfare Bureau to enable the government to focus on the training and re-training of labour to address shortage.

Continuing Education

- 4.18 A study should be conducted on the possibility of increasing resources for the Continuing Education Fund and the types of courses offered, so as to encourage people to pursue life-long learning and pursue continuing education.

5. Home Ownership, Liveable City

My Belief

- 5.1 My housing policy focuses on home ownership to enable citizens to live happily in Hong Kong and call it their home. However, property prices have skyrocketed in recent years and home ownership has become a remote hope for many middle class families. Despite the proposal of the first term of the HKSAR Government to raise the rate of home ownership from the then 46.7% to 70% in 10 years, the latest figure is only 50.4%.
- 5.2 I will strive to rebuild the “housing ladder” to rekindle the hope of families in different income brackets to become home owners. And I will aim to provide proper housing for those residing in sub-divided flats as well as the many families who are waiting for public rental housing, with a view to improving their living environment.
- 5.3 Whether it is about solving people’s home ownership problems or improving their living conditions, we must increase land supply. I will therefore strive to engage the public to reach a consensus on land supply to build a land bank to meet Hong Kong’s long-term development needs.
- 5.4 Public expectations for a “liveable city” are rising. In addition to ample land and housing supply, green countryside, a beautiful harbour, a sustainable environment and heritage conservation are indispensable for a quality city.
- 5.5 Hong Kong has a long history as the meeting point of East and West and a melting pot of the two cultures. We should honour the invaluable legacy of the “Pearl of the Orient” and create a cosmopolitan city that embraces culture, arts and sports. This will give our citizens a home where they can enjoy physical health and cultural richness.

Policy Initiatives

Developing Land Resources

- *Seeking Consensus*

- 5.6 To tackle the housing problem, we must find more land. We must draw on the collective wisdom of society and recognise the need for compromises and give-and-take in order to find a solution that benefits the community as a whole.
- 5.7 If elected, I will establish a dedicated task force representing various sectors to take a macro review of our land supply options. These will include reviewing reclamation outside Victoria Harbour, developing “brownfield sites” in the New Territories, tapping into the land reserves of private property developers, redevelopment of urban areas, and accessing the outskirts of country parks.
- 5.8 This task force will be steered by professionals from the planning, engineering, architectural and environmental disciplines and will also engage stakeholders at district level. The task force will explore all possible alternatives and conduct comprehensive discussions to weigh options and make decisive choices.

- *Short-term Measures*

- 5.9 I will ask the approving departments such as the Planning Department, Lands Department and Buildings Department to examine the options available to speed up the approval process for land development. Such options include consolidating technical definitions and approval codes and standards (subject to safety considerations).
- 5.10 Resources will be increased for relevant departments involved in land development to speed up their handling process to accelerate land and housing supply.
- 5.11 We will consider a model of “multiple use” multi-storey development for existing Government land in order to consolidate facilities and release land for community use.

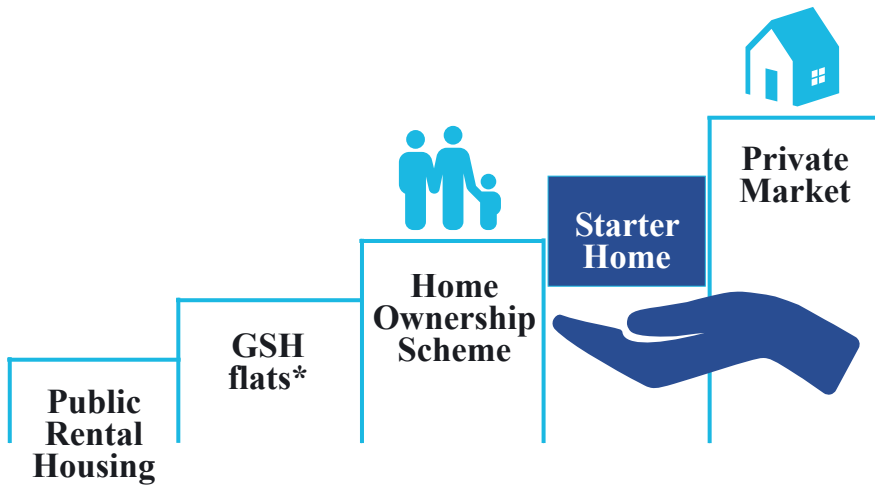
- *Medium- and Long-term Measures*

- 5.12 Based on the findings of the survey on brownfield sites, it is proposed that land owners release some of their sites for development. Sites with little development potential should be preserved and reverted to green landscape.
- 5.13 We will actively explore the “small district development” model and consider “plot ratio transfer”. For example, in a small district development scheme, any unused plot ratio from one development may be transferred to a site being redeveloped to increase the number of overall building units within the small district.
- 5.14 Near-shore reclamation projects outside Victoria Harbour will be launched expeditiously. Major land supply projects such as the East Lantau Metropolis and development projects in the northern part of the New Territories will be implemented.

Housing Policy

- 5.15 The “housing ladder” will be rebuilt to provide families in different income brackets with the opportunity to become home owners. On top of the Home Ownership Scheme (HOS), we will introduce affordable “Starter Homes” for Hong Kong middle-class families, re-igniting their dreams to own a home. This will be in addition to current public housing and HOS supply (including the Green Form Subsidised HOS).
- 5.16 The supply of flats under the Green Form Subsidized Home Ownership Scheme will be increased to allow public housing tenants with sufficient means to become home owners, thereby vacating their public rental housing units for those on the waiting list.
- 5.17 At present, some 250000 HOS units are with unpaid land premium. It is proposed that a pilot scheme be introduced to allow owners of these units to work with social enterprises to let their units in order to increase the liquidity of the HOS rental market.
- 5.18 The Hong Kong Mortgage Corporation will be asked to look into means to refine the Mortgage Insurance Programme so more assistance can be provided to first time home buyers who are permanent residents.

**We propose a new step to the housing ladder
to re-ignite dreams to own a home**



Transportation

- 5.19 Hong Kong's international connectivity has always been our strength – half the world's population are within five hours' flight time from the city. We must reinforce this competitive edge and continue to improve connectivity, including the timely implementation of the Three Runway System.
- 5.20 Our inland transport policy should continue to be “centred on public transport with railway as the backbone”. Accessibility within Hong Kong will be enhanced by such means as expediting the seven rail projects under the Railway Development Strategy 2014.
- 5.21 By improving the pedestrian environment and traffic conditions, efforts will be made to turn Hong Kong into a “walkable city”, taking advantage of the compact nature of our region. This will not only reduce reliance on motor vehicles for short distance travel and improve air quality, but also make us all more healthy.
- 5.22 More “bicycle-friendly” new towns and new development areas will be constructed to reduce carbon emissions from vehicles.
- 5.23 Leveraging advanced technology, electronic road pricing pilot schemes will be launched expeditiously in some districts to improve traffic flow.
- 5.24 We will explore the possibility of using the Government's dividends from the MTR Corporation to relieve the fare burden of long distance grassroot commuters.
- 5.25 To relieve the congestion at major interchange stations during peak periods, I will request the MTR Corporation :
- (i) to explore feasible ways to increase passenger capacity;
 - (ii) to monitor passenger flow during peak hours and disseminate information promptly so the public can make appropriate arrangements; and
 - (iii) to design off-peak fare concession schemes that are more effective in diverting passenger flow from peak periods.
- 5.26 A convenient and speedy Wi-Fi network is indispensable for Hong Kong to become a “smart city”. At present, the MTR Corporation is providing free Wi-Fi on its Airport Express service. I will ask them to explore the feasibility of providing free Wi-Fi on all its trains.

5.27 The Government will facilitate a multi-stakeholder platform for the many different stakeholders in the transport sector, including franchised buses, mini-buses and taxis, to engage in meaningful discussions to rationalise their roles and to improve Hong Kong's public transport ecosystem.

Environmental Protection

- *Continue to Implement the Blueprint for Environmental Protection*

5.28 Our natural environment, clean water supply and fresh air are precious resources, and we should preserve them well.

5.29 In this connection, the Government of the next term will ensure co-ordination among various bureaux and departments to improve air quality, waste management, energy conservation, biodiversity, etc. Our aim is to develop Hong Kong into an even more environmentally friendly and liveable city.

5.30 Air quality is important to our citizens' quality of life and health. We will strive to reduce air pollutants, control emissions, and promote the use of more environmentally friendly and energy efficient fuel technologies.

5.31 Solid waste management has been a thorny issue, with food waste accounting for more than 30% of the problem. I will continue to promote the "Food Wise" culture to reduce food waste. This will be a key initiative in the Government's environmental policy.

5.32 Meanwhile, I will work to achieve the goal of reducing waste by 40% in 10 years by promoting waste reduction at source and implementing quantity-based charging for municipal solid waste.

5.33 In recognition of the importance of nature conservation and biodiversity, I will devote resources to the conservation of our country parks and advocate the appreciation and active protection of Hong Kong's natural beauty.

- *Climate Change*

- 5.34 To address such global issues as melting glaciers and rising sea levels arising from climate change and energy use, we will focus on three directions, namely reducing global warming, adaptation and response.
- 5.35 I will aim to achieve the target of reducing our carbon intensity by 65-70% by 2030 (based on the 2005 figure). Coal-fired power generation will also be gradually replaced by clean and renewable fuels for achieving the goal of keeping the global average temperature rise in this century within 2 degrees Celsius above pre-industrial levels under the Paris Agreement.

- *Beautifying Victoria Harbour*

- 5.36 On the subject of maintaining the water quality and cleanliness of Victoria Harbour, the Government will reduce the discharge of sewage to the Harbour in order to address the bad smell near the shore. We will discuss ways to reduce garbage in the sea with the Mainland authorities.
- 5.37 I will promote the establishment of the Harbourfront Authority and task it with the management of the harbourfront to attract more members of the public as well as tourists to enjoy our world-class, accessible and sustainable harbourfront.

Sports Development

- 5.38 While promoting sports in Hong Kong through encouraging public participation, developing elite sportsmen/women and organising mega sport events, efforts will be stepped up in schools on physical education and sports training. This will allow students to develop physical health, enhance confidence and build up team spirit. The aim is to nurture a new generation of healthy and active citizens.
- 5.39 The Kai Tak Sports Park project will be expedited to turn Hong Kong into a world-class sports city.
- 5.40 The Five-Year Plan for Sports and Recreational Facilities will be implemented to enhance district facilities.
- 5.41 The Hong Kong Sports Institute will be invited to study the strategy for enhancing the training of elite sportsmen/women and relevant initiatives, including coaches' training, sports science, sports medicine, etc. Extra resources will be provided, if necessary, to raise the international standards of local athletes.

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- 5.42 More resources will be allocated to support retired sportsmen/women by helping them in furthering their studies, employment and starting up businesses.
 - 5.43 As mega sports events help raise public interest in sports and benefit businesses such as those related to tourism, the Government will explore incentive schemes to encourage corporations to sponsor mega sports events.

Arts and Culture

- 5.44 The development of the West Kowloon Cultural District will be expedited to underline Hong Kong's position as a cultural hub.
- 5.45 The newly established Harbourfront Authority will be invited to explore the feasibility of a "tent theatre" in the waterfront area to increase performance venues and to meet the needs of arts groups.
- 5.46 Support will be given to nurture young artists and groom cultural and artistic talents.
- 5.47 In the comprehensive review of our education system, more importance will be attached to arts and culture.
- 5.48 We will promote Chinese, international and local culture.
- 5.49 Assistance and support will be given to local arts groups to expand local and overseas markets to improve career prospects for local artists.

Heritage and History

- 5.50 Efforts to promote the Revitalising Historic Buildings Through Partnership Scheme will be sustained. Following the gradual completion of the Conserving Central projects, the Government will explore new ways to encourage heritage conservation using a small district model.
- 5.51 We will encourage appreciation of Hong Kong's history and cultural heritage. For example, we can work with experts to develop a mobile App on Hong Kong history for local residents and visitors.

6. Building a Caring, Inclusive Society, Improving People's Livelihood

My Belief

- 6.1 Hong Kong people are by nature kind and willing to help others. Ours is a caring society. Our citizens are renowned for generosity when disaster strikes, whether locally or in other territories or countries. Hong Kong is endowed with a large number of charitable organisations, family foundations and volunteers. Apart from poverty alleviation and support for the disadvantaged in Hong Kong, they also extend help to the Mainland and other countries around the world whenever relief and voluntary work is called for. An international metropolis like Hong Kong should commit to helping the needy around the globe and we are proud of this Hong Kong spirit.
- 6.2 We should make Hong Kong an even more inclusive society where people of different races, professions, ages and physical abilities live in peace and harmony.
- 6.3 Our society has great respect for self-reliance and values Government efforts to provide education, training and retraining to help people adapt to new economy and trades. For those unable to support themselves, the Government has to put in place a sustainable welfare system to provide appropriate assistance.
- 6.4 Senior citizens in Hong Kong have contributed immensely to the prosperity of our city. The ageing population should not be considered a threat or a burden to our public finance. Instead, we should consider it an opportunity to serve and accommodate the elderly more effectively, and to develop the "silver market". The Government should continue to allocate resources and utilise innovation and technology so that our senior citizens can enjoy the golden period in their twilight years.
- 6.5 Whether in poverty alleviation, care for the elderly or support for the disadvantaged, the Government should adhere to the following principles in formulating policies: pro-child, pro-family, pro-work, and pro-user.
- 6.6 On the provision of services, we should promote cross-sector, cross-profession collaboration as well as public-private partnership to make better use of our resources and provide more comprehensive care for the needy in society.

Policy Initiatives

Helping the Poor, Elderly and Disadvantaged

- 6.7 The current Administration re-established the Commission on Poverty, set a poverty line and announced the poverty situation annually. The Old Age Living Allowance (OALA) and Low-income Working Family Allowance (LIFA) have been launched, and the enhanced OALA with a higher monthly allowance for the elderly has been proposed. The next Administration will implement those improvements relating to OALA as soon as possible and closely monitor the implementation of these social security schemes. In reviewing LIFA, we will study the arrangements for families living in public housing and renting private housing respectively.
- 6.8 As Chief Executive, I will continue to chair the annual Commission on Poverty Summit to garner first-hand information through listening to the disadvantaged first-hand and to consider policies to remedy deficiencies together with them.
- 6.9 We will continue to use the Community Care Fund (CCF) as a means to bridge the gaps in the system. We will also proactively regularise CCF assistance programmes to become standing Government measures if they are proven effective.
- 6.10 I shall consider setting up a Commission on Children to amalgamate the efforts made by relevant bureaux/departments and child concern groups, and focus on addressing children's issues as they grow.
- 6.11 The Government should announce the proportion of persons with disabilities employed by the civil service and public organisations to encourage the private sector to employ more persons with disabilities.
- 6.12 The Pilot Scheme on Community Care Service Voucher for the Elderly and the Pilot Scheme on Residential Care Service Voucher for the Elderly will be kept according to the principle of "money-following-the-elderly". We will also enhance the service quality of private elderly homes to enable public and private organisations to play a complementary role in elderly care service.
- 6.13 The ongoing Special Scheme on Privately Owned Sites for Welfare Uses will be extended from non-governmental organisations to private developers as an incentive for them to provide special home care facilities in their development projects.

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- 6.14 Apart from attracting young people to join the care services industry, we should import foreign labour for the sector in an orderly manner to address the long-term labour shortage problem.
- 6.15 We will continue to support “Active Ageing” with hardware and policies. For example, additional community centres can be built in different districts to provide services and space to help the elderly remain fit and alert. Such services would include volunteer work, social activities, health-care and basic physical checkup/outpatient services.
- 6.16 End of life care services should be enhanced. We will consider amending the relevant legislation so that patients can have the choice of “dying in place”.

Lump Sum Grant

- 6.17 We will discuss with the social welfare sector how to optimise the Lump Sum Grant arrangements in the following ways:
- (i) capitalising on the flexibility of the Lump Sum Grant to enable organisations to provide services relating to the Funding and Service Agreement;
 - (ii) reviewing manpower deployment for services and adjusting subvention according to the need for services; and
 - (iii) setting “core positions” for individual services and allocating resources to pay staff at levels higher than the mid-point of the relevant salary scales to allow organisations to maintain a stable and high-quality professional workforce.

Providing Support to Ethnic Minorities

- 6.18 The Race Discrimination Ordinance will be reviewed to ensure that people from different ethnic backgrounds are treated fairly and equally.
- 6.19 Apart from a series of educational measures to help non-Chinese speaking students learn Chinese, we will also enhance support for ethnic minorities in employment.
- 6.20 We will review systematically the requirement of written Chinese proficiency for various grades of the civil service so as to increase Government job opportunities for ethnic minorities.
- 6.21 More ethnic minorities will be appointed to different Government statutory bodies and committees so that Government policies can cater for various social groups.
- 6.22 Public education will be enhanced to ensure that all Government publications convey the messages of racial harmony and equality for all.

Medical Services

- 6.23 We will formulate long-term medical policies and plan resources to safeguard the health and well-being of all Hong Kong citizens.
- 6.24 Greater efforts will be made and resources put in place to promote health education, primary care and community care so as to reduce the need for specialist and hospital services.
- 6.25 We will consolidate and enhance the overall medical and healthcare services through cross-sector, cross-profession collaboration as well as public-private partnership.
- 6.26 In accordance with the requirements of demographic changes, the 10-year Public Hospital Development Plan, for which a provision of \$200 billion has been set aside, will be implemented expeditiously. A study will be conducted on expanding the scale of the Chinese University of Hong Kong Medical Centre currently under construction.
- 6.27 More funding will be allocated to public hospitals for medical and biotechnological researches.
- 6.28 We will continue to allocate resources and make use of the CCF to co-operate with the Dental Association in providing dental services to the elderly and persons with disabilities who need such services.
- 6.29 Long-term healthcare professional manpower policies will be formulated and resources will be allocated to make sure that all local medical graduates will be employed in our public healthcare system and have the opportunity to receive specialist training. This will stabilise the supply of specialists and allow them to apply their knowledge to the full. Measures will be put in place to retain talents in public healthcare organisations.
- 6.30 Registration systems will be introduced for health professionals, such as clinical psychologists, speech therapists and dieticians who are not under any statutory registration systems at present. These systems will ensure their professional standards and protect the interests of the public. We will also look into ways to optimise the referral procedures so that patients' treatments will not be delayed owing to complicated referral processes.
- 6.31 The Medical Council of Hong Kong will be reformed to ensure greater transparency and to speed up complaints handling. We will try to reach consensus as early as possible in respect of the Council's composition through the tripartite platform.

Chinese Medicine

- 6.32 We should decide on the position of Chinese medicine in our public health-care system, and plan the first Chinese medicine hospital operational model accordingly. The current tripartite collaboration arrangement among the existing Chinese medicine clinics in the 18 districts should also be enhanced on this basis, as should the professional development of Chinese medicine practitioners.
- 6.33 We will study and promote the development of Chinese medicine in Hong Kong and use our advantages to open up markets in the Mainland and countries nearby.
- 6.34 A unit dedicated to the development of Chinese medicine will be set up under the Food and Health Bureau, and the unit should maintain close liaison with the sector.

Retirement Protection and Labour Issues

- 6.35 Regarding abolishing the “offsetting” arrangement in the Mandatory Provident Fund (MPF) System, we will listen to both the employees and employers, especially those from small and medium enterprises, and strive to reach a consensus.
- 6.36 We will proactively follow up various measures to optimise the MPF system and examine the public annuity scheme in order to provide better protection for retirees.
- 6.37 According to the report submitted by the Standard Working Hours Committee and opinions from various sectors in society, we will identify a policy direction for working hours appropriate to Hong Kong’s social and economic conditions.
- 6.38 More effective measures will be adopted to unleash the working potential of women and the elderly in order to relieve the serious labour shortage in various sectors.
- 6.39 With a declining labour force, the Government should more proactively improve understanding between employers and employees of different industries and discuss the importation of a limited number of foreign workers for industries suffering from serious labour shortage on the premise that the priority of local workers in employment and their salary level will be safeguarded.

Urban-rural Integration

- 6.40 To maintain the unique environment of our urban areas, rural areas and the countryside, we will work towards the preservation of villages and develop eco-tourism to revitalise villages which are nearly deserted.
- 6.41 We will make use of the communication platforms established with the Heung Yee Kuk by the Home Affairs Bureau and the Development Bureau to discuss various rural issues, including the lawful traditional rights and interests of indigenous inhabitants in the New Territories under the Basic Law.

Religion

- 6.42 There are many religions in Hong Kong, such as Buddhism, Taoism, Confucianism, Catholicism, Christianity, Islam, Hinduism, Sikhism and Judaism, all of which have many followers. All these religions lead people towards kindness and benevolence, peacefulness in the heart and tolerance towards others. They play a very important role in society all over the world.
- 6.43 I shall examine the possibility of setting up a “Religious Affairs Unit” under the Home Affairs Bureau to be responsible for coordinating relevant policies.
- 6.44 The current policy on land premium for sites used for religious purposes will be reviewed to support the development of religion.

District Economy

- 6.45 The development of district economy will be promoted, for example through studies on the establishment of bazaars with special features in various districts.
- 6.46 We will consider young people’s perspective in providing recreational and leisure facilities. For example, we will consider establishing weekend flea markets for interested young people to sell their handicrafts.
- 6.47 Studies will be conducted on the provision of additional public markets in districts with inadequate facilities, and the improvement of existing markets under the Food and Environmental Hygiene Department, to attract patronage and provide more daily shopping choices for the people.
- 6.48 The commercial sector will be encouraged to strengthen co-operation with non-governmental organisations and social enterprises and support projects with social value.

7. Enhance Governance, Streamline Administration

My Belief

- 7.1 The Government should be far-sighted and people-oriented in its governance, adapting to new situations arising from the rapid development of society and responding to changing public demands.
- 7.2 To govern effectively, politically appointed officials and civil servants at all levels must interact and communicate effectively with the Legislative Council and District Council members of all political groups, professional bodies, NGOs, Government committees and the general public. We also need to allow different stakeholders to participate in public affairs, and resolve major issues in society through public engagement.
- 7.3 To improve administrative efficiency and reduce work pressure for civil servants, we need to review Government structure and operational procedures regularly to keep in line with the new role that the Government will play under my proposed New Style of Governance.

Policy Initiatives

Executive-Legislative Relationship

- 7.4 I respect the Legislative Council's function, which is to render checks and balances on the Executive authorities, but I also hope to foster mutual co-operation so as to ensure smooth implementation of policies for the benefit of the people. I pledge to build regular communication mechanisms with all political groups in the Legislative Council to work together for the overall interests of Hong Kong and to enhance the citizens' confidence in the governance of the Special Administrative Region.

District Administration

- 7.5 Our District Council members possess great amounts of local knowledge and wisdom. They are important partners of the Government in addressing district issues. The Chief Executive and the Principal Officials will visit the districts regularly and hold talks with District Council members so as to have a better grasp on district affairs and public opinion. We will also ask District Officers and the executive departments to respond more actively to community demands and to promote community building and development.

Chief Executive Summits and Committees

- 7.6 As Chief Executive, I will chair a series of annual summits on specific issues of particular importance (such as youth development, quality education and alleviation of poverty), exchange views with stakeholders and frontline staff, and propose macro policy directions to relevant committees.
- 7.7 We will explore means to reform the Chief Executive-led Economic Development Commission and Commission on Strategic Development, as well as the Council for Sustainable Development currently under the Environment Bureau, to better elicit ideas and formulate proposals on Hong Kong's development in various areas. We will also establish regular mechanisms to monitor the implementation of various commissions' recommendations.

Restructuring the Government

- 7.8 To enhance administrative efficiency and meet the demands of the Government's new roles under new circumstances, and, in the wake of the new economic initiatives, the Government's structure needs to be adjusted. For example: a Culture Bureau should be set up to integrate cultural and creative industries under one bureau; a Tourism Bureau should be established to steer the multi-faceted development of tourism at a high level; the Transport and Housing Bureau should be split into two to emphasise the importance of maritime and aviation industries; while land and housing issues should be merged into one bureau. However, since it takes time for the Legislative Council to approve any restructuring, I believe a more prudent and pragmatic approach is to consider introducing the above changes only after the next Administration takes office and on further listening to the views of different sectors.

Civil Servants

- 7.9 Civil servants face increasing work pressure as public expectations of Government administration continue to rise. We will review operational procedures, simplify processes and delegate powers without compromising public interests. We will also define clear work goals and administrative guidelines to reduce the pressure on frontline civil service colleagues.
- 7.10 We will review whether services provided to the public by various departments have been affected by the "0-1-1" cost savings programme proposed in the 2014-15 Budget, and take appropriate measures, if necessary. We will also review staffing and promotion prospects in time-limited posts to address the concerns of our civil service colleagues.

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- 7.11 We will re-examine whether civil servants on non-pension terms who joined the Government after 2000 may choose to extend their years of service to 65 years of age (or from 55 to 60 years old for disciplined services staff) to tie in with the goal of our population policy.

Central Policy Unit

- 7.12 The Central Policy Unit, which is currently accountable only to the Chief Executive and two Secretaries, will be completely revamped into a policy and project co-ordination unit that fosters public participation in policy formulation and assists in cross-bureau and inter-departmental co-ordination. The new unit will be responsible for policy research, innovation, co-ordination and joint review of creative projects proposed by different sectors to fulfil the Government's role as "facilitator" of policies or projects.
- 7.13 Furthermore, to reflect the spirit of public engagement under the New Style of Governance, this reformed unit will recruit young people from different sectors in full-time contract positions. They will be responsible for both policy research and collecting public views, especially from young people, so the Government can take public opinions into consideration at an earlier stage when formulating policies and can make adjustments accordingly. The reformed unit will no longer participate in the appointment of members of statutory bodies and Government committees.

Committees and Funds

- 7.14 I shall request the Principal Officials to consider the whole spectrum of talents in the community and to base decisions on merit when nominating members for various committees. In addition, we will review comprehensively the operation of the many Government funds, with an aim to simplify application procedures so these funds can meet the needs they were set up to serve, rather than deterring applicants.

8. Connecting with Young People to Build Our Future Together

My Belief

- 8.1 Our young people are our future, the most energetic and creative generation in our society, and they possess the greatest potential to drive the development of our society.
- 8.2 We must nurture the younger generation and develop in them a positive outlook to life, a passion to serve the community, a commitment to society, a sense of national identity, a love for Hong Kong and an international perspective. We understand that young people are multi-dimensional, and recognise that they possess very different talents. As such, we should support them in fully realising their potential.
- 8.3 We appreciate that young people have great hopes and aspirations for the future of Hong Kong and also understand that they have their own ideas and views on social issues. Proper recognition should be given to the passion and commitment of our youth towards our future.
- 8.4 We should understand the feelings and needs of our young people as they learn to become independent and prepare themselves to contribute to society. This would encourage them to understand development of society and broaden their outlook in making choices for the future.
- 8.5 In the meantime, young people should be given greater opportunities to participate in public affairs as their involvement would help them interact, exchange views and debate with different sectors of society. In the long term, it would be a starting point for us to nurture social leaders and politicians through encouraging young people to take part in public affairs.

Policy Initiatives

Youth Development Commission

- 8.6 A “Youth Development Commission” will be established and will be chaired by the Chief Secretary for Administration (CS) with the CS Office taking up a co-ordinating role so as to boost collaboration within the Administration as well implementation capabilities. The Youth Development Commission will steer the relevant policy bureaux and departments to take forward youth development initiatives. The current Commission on Youth under the Home Affairs Bureau will also be incorporated into the new, higher-level Youth Development Commission.

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- 8.7 The authorities should consider appointing at least a certain proportion of members of the new Commission from the young generation, and from tertiary institutions.
- 8.8 The Commission on Youth should be invited to promptly complete the first draft of its youth policy, which will be used as the basis for the establishment of the Youth Development Commission after consulting our young people.
- 8.9 The Chief Executive will personally chair an annual summit of the Youth Development Commission, at which all stakeholders will jointly examine the results of the work of the Commission and be ready to listen to views of the youth before moving on to the next steps.
- 8.10 Consideration may be given to hold a public competition to propose a name for the Commission.

Participation of Young People in Politics

- 8.11 In the process of revamping the Central Policy Unit into a policy and project co-ordination unit (as detailed in Chapter 7), I shall recruit 20 to 30 young people with different backgrounds, and who aspire to pursue a career in policy and project research, to join the Government as non-civil service contract staff. This will not only ensure that the views and suggestions of young people can be taken into consideration in the early stage of policy formulation, but will also allow them to gain a deeper understanding of the task.

Participation of Young People in Policy Discussion

- 8.12 Policy bureaux will be requested to appoint more young people from different sectors of the community as members of statutory and advisory committees and bodies. In time, all such committees will be required to appoint a certain proportion of young members. One initiative under my New Style of Governance proposal is to implement a “self-recommendation mechanism” which will provide more opportunities for youth to participate in public policy discussions.
- 8.13 Meetings of such committees will be scheduled in a way that could accommodate the time constraints of working young people and students.
- 8.14 I believe the Chief Executive and Principal Officials should regularly visit schools and educational institutions, and make good use of various channels, including social media, to engage in meaningful dialogue with young people and to connect with them.

9. Conclusion

My vision is for a Hong Kong of hope and happiness – a city we are all proud to call our home. I see a vibrant international metropolis that is just, civilised, safe, affluent, enjoys the rule of law, compassionate and well-governed. To achieve this vision, we need to have a society that is united, harmonious and caring. This vision is not, in reality, that far off. In fact, it has been Hong Kong's way to success for more than half a century. We have not lost our intrinsic advantages. As long as we can connect and achieve consensus, and capitalise on our strengths, the future of Hong Kong is bright.

The year 2017 marks the 20th anniversary of Hong Kong's Reunification with China. At this important time, I pledge to you all that if elected the next Chief Executive, I will do my best to ensure that:

- our children will grow up happily and healthily in a caring environment that is inspiring and creative;
- our younger generations will be able to apply their talents to build fulfilling lives for themselves;
- citizens in the prime of their lives will enjoy a stable and satisfying environment so that they can continue to prosper and provide for their families; and
- all our senior citizens will have marvellous golden years.

With humility, I look forward to connecting with you to build an even better Hong Kong!

Carrie Lam

2017-2



We Care



同行 weCONNECT

關心
We Care

聆聽
We Listen

行動
We Act

