

# **Budgeting for a Sustainable Economy and Most Livable City – Submission on 2009-10 Budget**

**The Professional Commons**  
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**I. Introduction**

1. Hong Kong is in economic recession.<sup>1</sup> The growth in Gross Domestic Product (at current market prices and year-on-year comparison) dropped from 9.8% in the first quarter of 2008 to 6.4% in the second quarter, and dropped further to 3.8% by the third quarter.
2. There is a pessimistic view over the economic prospect of Hong Kong. In early December 2008, Financial Secretary John Tsang has lowered the economic growth forecast for the year of 2008, from 4-4.5% to 3-3.5%.<sup>2</sup> Chief Executive Donald Tsang further stated that “it seemed inevitable that the local economy would go into negative growth in 2009”.<sup>3</sup> As reviewed in the latest economic forecasts, the anticipated economic growth of Hong Kong in 2009 has continuously been revised downward.<sup>4</sup>
3. Local job market also looks gloomy. The non-seasonal adjusted unemployment rate reached the trough of 3.1% in December 2007 - February 2008. It then rose significantly to 3.6% in August - October 2008.<sup>5</sup> There are evidences of massive lay-offs in many sectors, extending from the banking and finance, property agency, technology, catering to retail sector. The Financial Secretary recently stated his concern that the “unemployment situation would become tremendously severe in the next year”.<sup>6</sup> Some economic analysts and scholars also suggested that the unemployment rate would stand between 4-5% in 2009.<sup>7</sup>

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<sup>1</sup> It is popularly defined that economic recession occurs when there is a reduction of gross domestic product for two consecutive quarters. See <<http://recession.org/definition>>.

<sup>2</sup> 〈曾俊華：擬創四萬職位〉, *Hong Kong Economic Journal*, 2 December 2008, p. 3.

<sup>3</sup> <<http://www.info.gov.hk/gia/general/200812/08/P200812080139.htm>>.

<sup>4</sup> The most pessimistic prediction of the economic growth in 2009 is negative 3% by Goldman Sachs, and UBS predicted negative 2.2% growth. See 〈高盛料港明年 GDP 倒退 3% 行內最淡〉, *Ming Pao*, 12 December 2008, p. B3.

<sup>5</sup> Provisional figure; see

<[http://www.censtatd.gov.hk/hong\\_kong\\_statistics/statistical\\_tables/index.jsp?charsetID=1&subjectID=2&tableID=006](http://www.censtatd.gov.hk/hong_kong_statistics/statistical_tables/index.jsp?charsetID=1&subjectID=2&tableID=006)>.

<sup>6</sup> <<http://www.rthk.org.hk/rthk/radio1/hkletter/20081206.html>>.

<sup>7</sup> For example, an economist from Hang Seng Bank have predicted that the unemployment rate would reach 4.3% by the end of 2008, and could be extended to 5% . See <明年暑假失業最惡劣促進就業料有第二波>, *Ming Pao*, 9 December 2008, p. A4, and 恒生料明年港經濟零增長,” *Ta Kung Pao*, 5 December 2008, p. B1.

4. On 8 December 2008, the Chief Executive has announced a number of measures in his economic stimulation package. However, these measures have merely confined to the provision of stop-gap relief measures for the small and medium-sized enterprises (SMEs), the creation of temporary jobs, and the reassurance on the importance of the financial sector and the cooperation and coordination with the Mainland. In sum, the Government is simply playing the same old tune, but is unable to propose innovative measures.
5. We believe that the Budget to be delivered by the Financial Secretary on late February 2009 should not be restrained to short-term measures that simply aimed at implementing the commitment of the Chief Executive. In light of the anticipated economic downturn, it would be important for the Financial Secretary to steer the direction of a sustainable economic future for Hong Kong that could further enhance Hong Kong's competitiveness and the quality of living.
6. In view of this, The Professional Commons has compiled a list of policy proposals for the Financial Secretary's consideration in his preparation of the 2009-10 Budget.
7. We share the view that the injection of new momentum for economic growth and job creation should be the primary consideration of the budgetary measures in the short run. However, it would be of equal importance that the remedial measures should be value for money and would help upgrade the competitiveness and quality of living. Hence, the Financial Secretary should take into consideration the following principles when formulating its plans for the upcoming Budget:
  - Wiser usage/spending of public resources for economic and social development;
  - Wider application of information and communications technology;
  - Better training of human capital; and
  - Heading towards the goal of "most livable city".
8. In view of this, we have proposed a list of policy proposals as follows:
  - Review of the Fundamental Elements in Economic and Fiscal Policy;
  - Ten Information Infrastructure Projects;
  - Enhancement of the Quality of Teaching in Schools;
  - Complementary Measures in Works-related Projects;
  - Planning beyond the "Ten Major Infrastructure Projects"; and
  - Concessionary measures for all.

## II. Review of the Fundamental Elements in Economic and Fiscal Policy

1. Restoring the economic order and stabilizing the community mood appear to be the top priority of the Government of the Hong Kong Special Administrative Region (hereafter the Government) in recent months. Although these remedial measures might create a sense of comfort in the short-term, they failed to address the shortfall in the local economy exposed in current economic turmoil, particularly the deteriorating business environment that damaged the economic vibrancy. Hence, it would be appropriate to review the long-standing land policies, as high land cost, which has long regarded as the crux of high business costs in Hong Kong. The development mix should also be reviewed on areas outside the metro core to facilitate a better use of land. To enhance the competitiveness and quality of living in Hong Kong in the long-term, additional funding sources might be required to finance the social and economic programmes. Against this background, the appropriate level of fiscal reserves, particularly the operations of the Capital Works Reserve Account after the introduction of accrual-based accounting system, merits a high level of attention.

### Proposal 1: Review of Land Policy

2. The established land policy should be reviewed in a bid to pro-actively develop a competitive market with balanced negotiating power between the buyers and sellers in the real estate market. If not, the monopolized nature of the land market could easily pass on to the suppliers in the real estate market.

#### **Current Situation**

The Government is the monopolized supplier of land in Hong Kong. All other persons (except the St. John Cathedral) are leaseholders, who cannot re-sell the land in the market. As a result, the timing and the amount of land supplied by the Government to the market is the determining factor of the land cost in Hong Kong, and ultimately affects the price of real estate here.

We believe that the high real estate costs as a result of the monopolized market described above has been killing a lot of SMEs, subsequently reducing the diversity of the local economy. According to the *World Competitiveness Yearbook 2008* published by the Lausanne-based Institute for Management Development, the major competitive disadvantage of Hong Kong was price, due to high level of apartment rent (ranked 53 among 55 economies, i.e., the third

highest apartment rent) and office rent (ranked 45, i.e. the eleventh highest office rent, among 55 economies).

Harvard professor Michael Porter suggested that one of the factors of developing an innovation-driven economy was to have deep supporting industries.<sup>8</sup> Hence, it is disappointing to see that the lack of diversity among our economy is reducing the depth of support among various industries and is adversely affecting the long-term development of Hong Kong.

## Proposal 2: Development Mix outside the Metro Core

3. The development mix in land use outside the metro core areas is another issue of concern. A hierarchy of business nodes, together with supporting facilities such as hotels, service apartments and other supporting facilities, along with residential developments should be developed on areas outside the metro core. One of the examples in which the development mix should be reviewed lies on the Nam Cheong Station Area, and detailed recommendations are listed as follows:

### **Detailed Recommendation 1: Business Nodes**

4. Not only the original proposed office towers on the podium of Nam Cheong Station shall be remained, we also propose that an additional commercial building shall be built through replacing another residential block, increasing the number of commercial building to at least two. Back office operations might be one of the development options for the Nam Cheong Station Area.

#### **Current Situation**

The Government has recently announced that the overhaul of the development plan for the podium of Nam Cheong Station on the West Rail Line of the MTR, under which one residential tower and one commercial tower will be deleted.<sup>9</sup> This has turn the development into yet another pure residential mix comprised

<sup>8</sup> Michael Porter, *The Competitive Advantage of Nations*, (New York: The Free Press, 1998).

<sup>9</sup> In order to reduce the “screen effect” (that is, buildings built along the shoreline built right adjacent to each other, hence forming a “screen”), the Government has cut one residential block and one commercial development, and to reduce the number of floors in each of the residential blocks. The land/plot ratio will also be reduced from 8 to 6.6 times. We welcome the Government’s proposal to cut the residential block, but we raise reservations on the Government’s decision to delete commercial developments in Nam Cheong station. (Source: 〈西鐵物業降地積比免「屏風效應」政府少收 20 億 南昌站 元朗站 上蓋減建高樓〉, *Wen Wei Po*, 19 November 2008, p. A16.)

of nine high-rise towers.

Nam Cheong Station is a transport hub in itself, linking the West Rail which goes through the populous areas in New Territories West, the future Kowloon Southern Link in the metro core areas (Tsim Sha Tsui), and the Tung Chung Line, connecting between Central and Lantau North East. Hence, it would be convenient for businesses to establish an office there.

There are already high grade office towers along the stations of the Tung Chung Line. For instance, there are two office towers occupied by two major banks (HSBC and Bank of China) for their back-office operations in the Olympic station area, which is just one stop away from Nam Cheong Station.

### ***Detailed Recommendation 2: Service Apartments***

5. The Nam Cheong Station area can further develop into a business-cum-hotel node through the replacement of one more residential tower from its proposed plan by one service apartment tower.

#### **Current Situation**

The interrelated issues of inadequacy of hotel rooms and high costs of accommodation have heavily hindered the development of tourism of Hong Kong. It was reported that the number of hotel room in Hong Kong would still be under 60 000 by 2011, compared with the 43 000 rooms in early 2007. On the other hand, the newly constructed hotels are not confined to the traditional areas frequented by tourists and have been spreading to other places with an easy access of transportation in recent years. For instance, there are a number of hotel development projects in Wong Chuk Hang and Shek Pai Wan.

### ***Detailed Recommendation 3: Government Offices***

6. The relocation of a certain number of Government offices could substantiate the development of the business node. By relocating some Government offices currently renting private spaces in the Central Business District to Nam Cheong, it could ensure a higher occupancy rate of the office towers, as well as facilitating population flow there.

### Current Situation

The Professional Commons has suggested the relocation of Government offices out of the metro core.<sup>10</sup> Indeed, according to the 2007 Annual Report of the Government Property Agency, the Government has planned to construct one office tower in East and West Kowloon respectively. Of which, the office tower planned in the West Kowloon district is “to facilitate reprovisioning of government accommodation affected by the implementation of the Central Kowloon Route project.”<sup>11</sup> The Financial Secretary also announced in the 2008-09 Budget that the Government “will study the relocation of three government office buildings at the Wan Chai waterfront”.<sup>12</sup> It allows the Government a good level of flexibility in the relocation of its offices.

### Proposal 3: Review of the Operations of the Capital Works Reserve Fund

7. The operations and the income and expenditure flow of the Capital Works Reserve Fund (hereafter the CWRF) should be critically reviewed, to enable public resources to be used in a more productive and effective manner.

### Current Situation

A review of the Government public accounting system was done in 2000 with the publication of the report "Review of Government Financial Reporting Policy". The CWRF was established under section 29 of the Public Finance Ordinance. CWRF revenue mainly constitutes of land premium, investment income, and proceeds from government borrowing. While the expenditure of the CWRF mainly constitutes of public works programme<sup>13</sup>; capital subventions, major systems and equipment and computerization; transfer to general revenue and repayments of government borrowing (if any).<sup>14</sup>

The use of the CWRF is quite restrictive, particularly in times of dire needs under an economic turmoil. The main expenditure from this account includes

<sup>10</sup> The Professional Commons, “Reconstructing Urbanscape: Research Report on Development Strategies of the Hong Kong ‘Secondary City Centre’”, March 2008.

<sup>11</sup> Annual Report of the Government Property Agency 2007, <[http://www.gpa.gov.hk/english/doc/gpa\\_annual\\_report\\_2007.pdf](http://www.gpa.gov.hk/english/doc/gpa_annual_report_2007.pdf)>.

<sup>12</sup> The 2008-09 Budget, para, 82-83, <<http://www.budget.gov.hk/2008/eng/budget24.html>>.

<sup>13</sup> The public works programme may include land acquisition, port and airport development, buildings, drainage, civil engineering, highways, new towns and urban area development, water works and housing.

<sup>14</sup> See <<http://www.fstb.gov.hk/tb/cdr/report/e-report-content.htm>>, para. 2.11.2.

“transfer to general revenue” which constitutes of public works programme (civil engineering work mainly) in reality.

#### **Proposal 4: Objective Reassessment of the “Ten Major Infrastructure Projects”**

8. Given that most of the “Ten Major Infrastructure Projects” as suggested in the 2007/08 Policy Address are still in the planning stage, it would be advisable for the Government to further conduct cost-benefit analysis on the respective projects thoroughly, due to the questioning of their cost-effectiveness.

##### **Current Situation**

Although the Government has indicated that the “Ten Major Infrastructure Projects” would bring about tremendous economic value to Hong Kong, some of them are not well-received.

For instance, the Aviation Policy and Research Center of the Chinese University of Hong Kong has conducted study concerning the feasibility and implications of the rail connection between the Hong Kong International Airport (HKIA) and the Shenzhen Airport (SIA). They have concluded that the Project is financially not viable, and would dampen the role of Hong Kong as an aviation hub.<sup>15</sup>

#### **Detailed Recommendation 4: Objective Criteria**

9. The Government should set a number of objective criteria for the evaluation of each of the “Ten Major Infrastructure Projects”. Not only these objective criteria should indicate their contribution in the economic value to Hong Kong, but the medium and long-term benefits and productive impacts for the community, and their environmental sustainability as well.

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<sup>15</sup> In the Report, the authors claimed that in the scenario analysis, under the assumptions of the lowest construction cost of HK\$30 billion and the highest ticket price of HK\$400, the Rail Link would require 6.84 million passengers annually to achieve an annual rate of return of 3%. This number is more than ten times the number of passengers using the SkyPier ferry service to Shenzhen Pier (Fuyong) (only 501,000 in 2006). Hence, the authors argued that though they were “using some crude and restrictive assumptions, and partial data for our analysis”, we are rather comfortable to conclude that the Rail Link Project is not financially viable. Another conclusion of the report also suggested that “There is a distinct risk for Hong Kong to lose her status as the aviation hub of southern China and the proposed Rail Link between HKIA-SZA could partly contribute to it”. See Cheung Kwok Law, Japhet Law, and Dicky Tse, “A Preliminary Investigation on the Feasibility and Implications of the HKIA-SZA Fast Rail Link,” (Hong Kong: Aviation Policy and Research Center, Department of Decision Sciences and Managerial Economics, The Chinese University of Hong Kong, 2008), p. 15 and 27.



### III. Ten Information Infrastructure Projects

1. The “Ten Major Infrastructure Projects” are of strategic importance in the senses that, not only would it boost domestic consumption and help bring a few percentage points in the growth of the Gross Domestic Product in the next few years, but also put in place an advanced and well-connected public transportation system within Hong Kong and across the border. However, there is no room for complacency if we want to be a world city with international recognition. Hong Kong is lacking of an outstanding IT infrastructure if we want to develop an innovative and sophisticated economy. We should therefore build up a well-rounded IT infrastructure, as well as facilitating the use of IT in other business sector with a high level of connectivity and availability. In view of this, we list out ten information infrastructure projects that would add momentum to the future development of Hong Kong.

#### Information Services

##### **Proposal 1: E-Citizen Services**

2. The development and introduction of the e-Citizen account and the “My Government” (MyGov) page should be expedited in a bid to provide personalized services from all Government departments to all citizens, ranging from payment, renewals, bookings, government-related transactions to other e-services.

#### **Current Situation**

The current website of the Government is mainly designed to disseminate information on a “one-way” basis.

#### ***Detailed Recommendations***

- 3.1 Individual user or business should be allowed to customize his/her own MyGov page through selecting government services and information he/she needs out of a range of such services.
- 3.2 With a single sign-on e-account, the users will have a coherent and convenient interface to access Government e-services. By doing so, they do not need to memorize different password for different services.

- 3.3 Users should be allowed to selectively store the e-version of frequently used personal government-issued documents in their personalized accounts for government-related transactions in the future, for example, identity card, driver's license, public examination records, etc.
- 3.4 A coherent security protection policy, for instance, a multi-level access control, should be in place for the government services accessible from the e-account.

#### **Proposal 2: Healthcare**

4. The Government should expand and expedite the development of Electronic Health Records and Health IT system in general, through involving the private sector with more transparency as to the model of future development. It would be important to release latest progress more frequently so as to facilitate early preparation and participation of the private sector.

#### **Proposal 3: Transport**

5. The planning process concerning the development of Real-Time Traffic Information and Dynamic Vehicle Navigation systems and services in Hong Kong should be expedited and expanded.

##### ***Current Situation.***

Compared with major international cities, Hong Kong is lagging behind in the development of these transport-related IT systems. Although a Joint Working Group has been established by the Office of the Government Chief Information Officer, the Transport Department, and respective trade associations, the progress on strategy formulation and system design is far from satisfactory.

#### **Proposal 4: Education**

6. It is advisable to expand and expedite the development of electronic books for primary and secondary school education, and more actively involving the information and communications sector in its development. The Government should also improve support for teachers in IT education by providing earmarked funds to hire IT assistants. (Please also refer to Section IV)

### ***Detailed Recommendation 1***

- 7.1 The deployment of e-books in education is by no means a measure simply to help alleviate parents' burden in purchasing of textbooks. More importantly, it should facilitate both teachers and students to experience a more vibrant, dynamic means in teaching and learning. In view of this, the provision of open source courseware would be helpful to maximize the impact of e-books.

### ***Detailed Recommendation 2***

- 7.2 The Government should subsidize schools to purchase e-books in the form of "site-license" for the whole school in the cases of expensive reference books and other learning materials.

### ***Detailed Recommendation 3***

- 7.3 A free computer should be provided for the underprivileged families with school-attending children through the expansion of the current "Computer Recycling Scheme".

#### **Current Situation**

A small number of local families, mostly the families with Comprehensive Social Security Assistance recipients or the working poor with school-attending children are still suffering from divide in accessing tools in information technology in Hong Kong. In 2005, there were still 7% and 4% of primary school and secondary school children respectively do not have computers at home.<sup>16</sup>

### **Proposal 5: Tourism**

8. The Hong Kong Tourist Board should upgrade the performance of existing platform to provide location-based tourist information service to enhance tourists' experience while traveling in Hong Kong. The overhaul should be conducted through collaboration with the private sector.

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<sup>16</sup> "Report on the Progress Made in Implementation of Previous Digital 21 Strategies," Paper presented to the Legislative Council Panel on Information Technology and Broadcasting (LC Paper No. CB(1) 670/06-07(03), 15 January 2007, <<http://www.legco.gov.hk/yr06-07/english/panels/itb/papers/itb0115cb1-670-3e.pdf>>;

### **Detailed Recommendations**

- 9.1 With the availability of affordable Global Positioning System (GPS)/GSM technology, and ubiquitous Wi-Fi networks in the city, inbound tourists will be able to enjoy Internet tour guide services in all major business and tourist areas, with mobile devices like PDAs and mobile phones. The integration of position technology and the territory-wide street map in Hong Kong would be very helpful for the use of tourists, particularly the tourists visiting Hong Kong on an individual basis.
- 9.2 Digitalized tourist maps for PDAs and mobile phones should be commercially available. The on-line digital maps should provide more comprehensive information of the tourist spots rather than merely transport means and directions. It should also link with dedicated tourist websites that provide features, history, and virtual tours of the tourist spots, plus shopping tips, food, schedules of cultural events and performances and even a guestbook.
- 9.3 Different GPS maps can be designed to link up with different list of online directories targeting the needs of different groups of visitors, such as pleasure seekers and business visitors. Greater intensity in e-marketing can add momentum for the vibrancy of Hong Kong's city life.

### **Proposal 6: Food Safety**

10. The Government should establish a framework and pilot project for food product labeling and database search services, using a variety of technologies such as bar-codes, Radio Frequency Identification and near-field communications (NFC) (similar to the Octopus payment system) in phases. Through the application of these information and technology tools, more details of the food product could be stored and read through appropriate information and communications technology (ICT) device, overcoming the limitation of sticking paper labels on food products.

#### **Future Development**

With an excellent IT infrastructure in place and a high penetration rate of advanced IT device, Hong Kong has the potentials to develop into a center of excellence for IT applications in food labelling, with its application extend to other products such as drugs, etc

## Infrastructure

### Proposal 7: Wireless City

11. The Government should realize the promise of Hong Kong as a Wireless City, by facilitating the access of public facilities for wireless network service providers, and further investing in promoting the development of mobile and wireless applications and content services.

#### **Future Development**

There is much room for improvement particularly in the coverage of Wi-Fi access. It would be important as Wi-Fi location based service can complement the weakness of GPS with even higher precision, together with its potential in wider applications. The installation of a territory-wide Wi-Fi network should be positioned as a strategic measure in the long term to ensure Hong Kong's position as "one of the world's most advanced wireless cities".<sup>17</sup>

### Proposal 8: Information Security

12. The Government should increase and sustain funding for Hong Kong's computer emergency response center, and enlarge its scope of responsibilities to conduct proactive network monitoring against malicious activities. By doing so, Hong Kong could act as a responsible global citizen in the global coordination and action against electronic malicious activities.

#### **Current Situation.**

In response to the needs to cope with security threats, the Government has funded Hong Kong Productivity Council to set up the Hong Kong Computer Emergency Response Team Coordination Centre. However, the Centre does not have an earmarked/permanent funding source, and therefore has to rely on ad-hoc funding from the Government on a year-by-year basis for its day-to-day operations. Even worse, it has not been designated to detect and monitor locally-based electronic malicious activities proactively.<sup>18</sup>

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<sup>17</sup> "Growth of wireless communication services make HK one of world's most advanced wireless cities", Press Releases, 30 January 2008, <<http://www.info.gov.hk/gia/general/200801/30/P200801300128.htm>>.

<sup>18</sup> <<http://www.info.gov.hk/gia/general/200705/09/P200705090167.htm>>.

Hong Kong is prone to electronic hateful attacks, according to the study of IT consultants. 89% of emails sent to Hong Kong were spam compared to less than 80% of the emails sent globally. The hitting rate of virus from Hong Kong is also well above the global average of 1.34% of emails containing a virus compared to 0.78% globally.<sup>19</sup> Hacking attacks in Hong Kong have increased by 44% in the past 10 months. At the same time, it is estimated that over 69% of households (1.56 million households, out of a total 2.25 million households) has a computer and connected with the Internet on Broadband. Also, 43.2% of the population with computers and Internet access spent more than 20 hours on the Internet per week.<sup>20</sup> In fact many computer users often keep their computer online round the clock, which put themselves in a very vulnerable position for attack.

### Proposal 9: Digital inclusion

13. The Government should include broadband Internet access charges as one of the basic living expenses under the Comprehensive Social Security Assistance Scheme for needy families with students.

### Proposal 10: Research & Development

14. The Government should facilitate, streamline and expedite the application processes so that more ICT companies may apply for Innovation and Technology Fund for conducting R&D.

#### Current Situation

The HK\$5 billion Innovation and Technology Fund (ITF) has been in operation since 1998, but after ten years, only HK\$3.6 billion of fund has been approved.<sup>21</sup>

The current vetting process of the ITF is criticized of being too complicated and time-consuming: (1) the ITF Secretariat conducts a preliminary screening; (2) individual application may be subject to external peer review; (3) the ITF

<sup>19</sup> "City is Top Target for Cyber Villains Behind Virus Blitz," *The Standard*, 20 November 2008, p. 8.

<sup>20</sup> Census and Statistics Department, Thematic Household Survey Report No. 32, Information Technology Usage and Penetration, December 2007, <[http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat\\_report/social\\_data/B11302322007XXXB0100.pdf&title=Thematic+Household+Survey+Report+-+Report+No.32&issue=-&lang=1&c=1](http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat_report/social_data/B11302322007XXXB0100.pdf&title=Thematic+Household+Survey+Report+-+Report+No.32&issue=-&lang=1&c=1)>.

<sup>21</sup> <<http://www.itf.gov.hk/eng/statistics/StatTable101View.asp?StatTypeId=101&StatId=520&StatCaption=Statistics+of+Approved+Projects>>.

Secretariat's assessment, together with the results of any external peer review, will be submitted to an Assessment Panel constituted from a pool of assessors for vetting; and (4) the Panel's recommendations will be submitted to the Government for approval.<sup>22</sup>

The current ITF involves three major tiers of funding,<sup>23</sup> mainly targeting large-scale corporations or higher education institutions in financing high-end ICT projects. Local SMEs would find it difficult to seek successful funding in the ITF.

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<sup>22</sup> <<http://www.itf.gov.hk/eng/Forms/itf-itsp-guide2008.pdf>>.

<sup>23</sup> Tier 1 is the establishment of R&D centres to undertake projects in their respective technology areas: automotive parts and accessory systems; logistics and supply chain management enabling technologies; textile and clothing; nanotechnology and advanced materials; and information and communications technologies (covering communications technologies, consumer electronics, integrated circuit design and opto-electronics). Tier 2 involves the funding of project proposals submitted under the Guangdong-Hong Kong Technology Cooperation Funding Scheme. Tier 3 involves the funding of more forward-looking and innovative applied R&D projects.

#### IV. Enhancement of the Quality of Teaching in School

1. It is disappointing that the Chief Executive had only announced to recruit several thousand civil servants, but failed to address the problem of manpower shortage in other public sectors, such as the education sector. Education has been regarded as an important investment for the future by the Government, and the largest single item of government expenditure is on education. We believe that new jobs created in the education sector will be more meaningful and value for money in the senses that a better learning environment could be formed in schools to help provide quality education.

##### Proposal 1: Special Provision of Capacity Enhancement Grant

2. In light of the education reform underway and the growing pressure facing the teaching and clerical staff in school, it would be advisable to increase the special provision under the Capacity Enhancement Grant (CEG) further by 100% for both aided primary and secondary school. The CEG rate for each school will then be increased to around HK\$1 million per annum.<sup>24</sup>

##### Current Situation

Different schools have had their own vision and direction in school and student developments. The CEG allows the school administration to deploy the extra resources flexibly, ranging from employing additional staff to hiring external services in relation to the alleviation of teaching and non-teaching workload of teachers.<sup>25</sup> Such flexibilities can best meet the need of school based development.

3. Under the present school-based management system, the budgeting arrangement of individual school should be more flexible so that the school administration can have a free hand to pursue their own goals. At present, many schools have tried hard to develop their edge in various educational aspects, such as IT in education, integrated education, “reading to learn”, etc. However, many of these schools face the same problem, i.e. the insufficiency of resources to further enhance the

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<sup>24</sup> The current level of Capacity Enhancement Grant for aided primary and secondary schools (for the academic year of 2008/09) stood at HK\$566,027 and HK\$463,100 respectively. Should they be increased by 100%, the amount of CEG would stand at HK\$1,132,054, and HK\$926,200 respectively. Please see <[http://www.edb.gov.hk/FileManager/EN/Content\\_4802/eoebg\\_apri\\_schsp\\_e.pdf](http://www.edb.gov.hk/FileManager/EN/Content_4802/eoebg_apri_schsp_e.pdf)>, <[http://www.edb.gov.hk/FileManager/EN/Content\\_4802/eoebg\\_asec\\_schsp\\_e.pdf](http://www.edb.gov.hk/FileManager/EN/Content_4802/eoebg_asec_schsp_e.pdf)>.

<sup>25</sup> See <<http://www.edb.gov.hk/index.aspx?nodeID=2442&langno=1&print=yes>>.



quality of education. Below are the categories of staff in which some schools regard additional manpower would be required.

**Example 1: Teaching Staff/Assistants to Facilitate Integrated Education**

**Current Situation**

Currently, integrated education is implemented in some 300 primary schools and 37 secondary schools. There will be an annual grant of HK\$10,000 to 20,000 for each student, depending on their special education needs.

Frontline teachers continue to complain that additional funding provided by the Education Bureau is insufficient to cope with the problems arising from great variety in special education needs under the present arrangement that students of different education needs might be present in the same class. Small class or arranging teaching assistants to sit in the classroom are the most common measures in tackling the problem. Hence, sufficient financial or human resources are vital to the smooth implementation of integrated education.

**Example 2: Clerical Staff**

**Current Situation**

At present, many schools apply for additional external resources (e.g. Quality Education Fund, Language Fund of the Standing Committee on Language Education and Research, etc.) to improve school facilities, or to fund special student programmes. It will increase not only the workload of the teachers but also the clerical staff as they are required to take care of the daily administration of the programmes as well as the preparation of financial statements.<sup>26</sup>

**Current Job Market**

There are not enough clerical jobs for applicants wishing to enter this job market. According to the Labour Department, there were merely 1700 vacancies in clerical jobs, but 7 000 applicants in late November 2008.<sup>27</sup>

<sup>26</sup> For example, see <[http://www.tsk.edu.hk/news/after\\_school\\_support\\_programme07-08.pdf](http://www.tsk.edu.hk/news/after_school_support_programme07-08.pdf)>.

<sup>27</sup> 〈空缺減 2 成 職位多錯配〉, *Wen Wei Po*, 30 November 2008, p. A2.

### **Example 3: Librarians**

#### **Current Situation**

“Reading to Learn” has once been treated as a major measure to promote life-long learning. Nowadays, the programme becomes a school based activities with some schools incorporate reading as a routine in school learning activities. However, there is one librarian taking charge of the school library and reading-related matter under the current establishment of the schools. The schools would find the sole librarian incapable of promoting reading effectively as he/she really can’t handle so many classes of students.

### **Proposal 2: IT Staff Establishment**

4. The Government should improve support for teachers in IT education by creating an establishment of at least one IT assistant in each school in Hong Kong. Not only the IT assistant should provide technical support of the IT systems in school, he/she could facilitate the use of IT tools in learning and teaching.

#### **Current Situation**

Despite the emphasis from the Government on the promotion of information technology in education, there is no extra staff establishment to facilitate IT application in teaching and learning in schools. Moreover, the IT expenditure is mainly funded by the Composite Information Technology Grant (CITG) with the annual rate for an aided secondary school with 25 to 30 classes, amounted to HK\$312,463 in the 2008/09 academic year (equivalent to a budget of HK\$26,000 per month) only. It is obvious that such a minimum budget on the CITG is insufficient to meet the needs of the school which is required to cover the purchase of IT-related consumerables, internet connection, employment of Technical Support Services personnel, and extending opening hours of schools’ IT facilities and other IT-related expenditures.<sup>28</sup> In addition to the CITG, many schools have deployed part of the CEG to employ additional staff to participate in IT education.<sup>29</sup>

<sup>28</sup> Education Bureau, “Composite Information Technology Grant”, Education Bureau Circular Memorandum No. 149/2006. The amount of Grant for the academic year of 2008/09 could be found in the following link at <[http://www.edb.gov.hk/FileManager/EN/Content\\_4802/eoebg\\_esp\\_schsp\\_e.pdf](http://www.edb.gov.hk/FileManager/EN/Content_4802/eoebg_esp_schsp_e.pdf)>.

<sup>29</sup> We have conducted a random sampling of 18 out of 925 government or aided schools in Hong Kong, one school (either primary or secondary) from each of the 18 districts in Hong Kong. It shows that half of

### **Qualification and Training**

As the teaching assistants are designated to play an active role in teaching and promoting IT in education, he/she should have at least an associate degree in academic qualification. Following the employment arrangement of lab technicians in school, the IT assistants should receive in-service training similar to Laboratory Assistant Certification Course certified by the Education Bureau.<sup>30</sup>

### **Additional headcount**

The staff establishment of IT assistant in each school should be in proportion to the number of classes. Each school should have at least one IT assistant, while having two is the maximum. As there are 925 aided primary and secondary schools in Hong Kong, it will create more than 1 000 vacancies once the proposal is accepted.

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the schools have deployed part of the CEG to employ additional staff to participate in IT education. See Annex I for the breakdown of the CEG in those schools for the deployment of IT staff.

<sup>30</sup> Education Bureau, "Code of Aid for Secondary Schools",  
<[http://www.edb.org.hk/EDNEWHP/resource/edu\\_doc/coa/sec\\_coa/App05.htm](http://www.edb.org.hk/EDNEWHP/resource/edu_doc/coa/sec_coa/App05.htm)>.

## V. Complementary Measures in Works-related Projects

1. After the proclamation of large-scale works projects aiming at job creation by the Government, there is growing concern on the cost-effectiveness of respective government spending. As the communities would suffer from the noise disturbance or traffic congestion caused by large scale infrastructure projects or territory-wide works projects, it would be more welcome for the Government to first push forward small scale enhancement or maintenance programmes to provide the facilities in need or fix the facilities in need of repairment. The capability in project coordination as well as communication with the local community would be crucial to ensure these projects would be followed by a burst of applauses rather than grievances. Manpower training and upgrading appears to be another core factor not only would they help implement these projects smoothly but also enhance the competitiveness of Hong Kong in the long term.

### Proposal 1: Upgrading Existing Facilities

2. To help create jobs in the short-term, it would be more feasible to put forward small scale improvement projects and minor works projects requiring a lesser level of planning and scrutiny.
3. Below is one of the examples. The Highways Department should consider putting in place enhancement projects at various parts of the existing cycling track, rather than speeding up for early commencement of the cycling track linking the East and the West of New Territories.

### Detailed Recommendation 1

4. Further supporting facilities should be provided along the existing track, for example, stalls for the rental of bicycle “cycling park” with other recreational facilities and retail kiosks, as well as supporting facilities similar to those suggested in the new cycling tracks, which include entry/exit hubs, resting/viewing places/general facilities and landscaping.

#### Current Situation

The Government plans to construct an 82 km long cycling track linking the East and the West of New Territories under a two-stage process. The construction of

the first section between Tuen Mun to Ma On Shan is expected to start in mid-2009. For the other section, i.e. the Tsuen Wan-Tuen Mun section, the Government suggested that it would be put forward for an earlier commencement of construction in 2011.<sup>31</sup>

### **Detailed Recommendation 2**

5. To facilitate a larger scale of the use for the existing cycling track, the Government should discuss with public transport operators to improve the access to the stations of the existing cycling paths.

#### **Current Situation**

It is noted that, in the latest submission by the Government to the LegCo on the cycling network, the Government has found the “access to some popular cycling spots in the New Territories is not so convenient due to inadequate provision of public transport services”.<sup>32</sup>

### **Proposal 2: Better Liaison with the Local Community**

6. Greater importance should be attached to liaison between the parties involved directly in the works programmes and with the local community to pave the way for faster pace for infrastructure and minor works projects. Not only the works-related departments, such as the Joint Utilities Policy Group of the Highways Department for the coordination of road works, should play a proactive role, but the Home Affairs Department and District Offices should have better communications and coordination with the local community to ensure a smooth implementation of the projects. Such a move not only aims at reducing the disturbances to the community, but would also gain their understandings on the projects. By doing so, it is envisaged that the works projects could be conducted in a more expedited manner.

#### **Current Situation**

There are tremendous infrastructure and minor works projects undertaken

<sup>31</sup> “Cycle Track Network in the New Territories,” Paper presented to the LegCo Panel on Development, May 2008, (Paper No. CB(1)1602/07-08(07)),  
< <http://www.legco.hk/yr07-08/english/panels/plw/papers/dev0527cb1-1602-7-e.pdf>>.

<sup>32</sup> ibidem.

across the territory, and many more in the pipeline. In the economic stimulus package as announced by the Chief Executive in early December, over 55 500 jobs are to be provided through expediting infrastructure projects and minor works projects, undertaken by the Government and the Hong Kong Housing Authority.<sup>33</sup> Moreover, the District Minor Works programmes with funding approved in the period of April to November 2008, are amounted to approximately HK\$373 million.<sup>34</sup>

For instance, the Water Supplies Department is carrying out the third stage of the “Territory-wide Water Mains Replacement and Rehabilitation Programme”. Works comprise replacement and rehabilitation of about 800 kilometres of water mains throughout the territory.<sup>35</sup> Traffic management is a major concern for the planning and implementation of this Scheme, as Government officials have admitted that the Programme would seriously disrupt road traffic and cause inconvenience to the public if most of the works programmes were to be conducted within a very short time. Hence, the Programme has to be divided into four stages and last till 2015.<sup>36</sup>

### Proposal 3: Grooming New Talents for Local Construction Sector

7. Greater effort should be placed to provide more rooms for training of construction workers, in view of the ageing of the construction workers, and the increase in the demand for manpower arising from the “Ten Major Infrastructure Projects” announced in the 2007-08 Policy Address. The Government should earmark more financial resources for the promotion and increase of places of the courses operated by the Construction Industry Training Authority.

#### Current Situation

The local workforce in the construction sector is facing the problem of contracting in size and getting older in age. It is been recorded that the number of people who were engaging in the construction sector dropped from 441 300 in 2005 to 400 100 in 2008. Among those, the number of people who are aged

<sup>33</sup> “行政長官經濟機遇委員會會議結束後會見傳媒談話內容(一)(附短片),” Press Release, 8 December 2008, <[http://www.info.gov.hk/gia/general/200812/11/P200812110200\\_print.htm](http://www.info.gov.hk/gia/general/200812/11/P200812110200_print.htm)>.

<sup>34</sup> “LCQ13: District Minor Works under District Council,” Press Release, 10 December 2008, <<http://www.info.gov.hk/gia/general/200812/10/P200812100100.htm>>.

<sup>35</sup> <http://www.wsd.gov.hk/en/html/edu/rehab/programme.htm>.

<sup>36</sup> “LCQ2: Replacement and Rehabilitation of Water Mains,” Press Release, April 23, 2008, <<http://www.info.gov.hk/gia/general/200804/23/P200804230175.htm>>.

between 15 and 39 dropped by 64 600 persons (22%) between 2005 and 2008. While those who are above the age of 40 has only increased by 23 400 persons during the same period.<sup>37</sup>

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<sup>37</sup> Census and Statistics Department, Quarterly Report on General Household Survey, various years, <[http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat\\_report/labour/B10500012008QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2008%a6%7e%b2%c43%a9u&lang=2&c=1](http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat_report/labour/B10500012008QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2008%a6%7e%b2%c43%a9u&lang=2&c=1)>, <[http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat\\_report/labour/B10500012007QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2007%a6%7e%b2%c43%a9u&lang=2&c=1](http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat_report/labour/B10500012007QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2007%a6%7e%b2%c43%a9u&lang=2&c=1)>, <[http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat\\_report/labour/B10500012006QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2006%a6%7e%b2%c43%a9u&lang=2&c=1](http://www.censtatd.gov.hk/freedownload.jsp?file=publication/stat_report/labour/B10500012006QQ03B0100.pdf&title=%ba%ee%a6X%a6%ed%a4%e1%b2%ce%adp%bd%d5%acd%ab%f6%a9u%b2%ce%adp%b3%f8%a7i&issue=2006%a6%7e%b2%c43%a9u&lang=2&c=1)>.

## VI. Planning beyond “Ten Major Infrastructure Projects”: Heading towards the Goal of the “Most Livable City”

1. The “Ten Major Infrastructure Projects” mainly focus on transportation infrastructure (6 out of 10)<sup>38</sup> and large scale development projects at the district level. There is no massive measure to upgrade the quality of living so as to reach the standard that a world city should have. With regard to the provision of a quality living environment as promised in the 2007-08 Policy Address, the progress is far from satisfactory, except for the commitment to increase the use of Liquefied Natural Gas (LNG) in the energy mix in the long run. Other than physical infrastructure, the Government should consider alternative projects that could help make Hong Kong as the “most livable city” with cleaner air, water, or in sum a quality living environment. It would also be of equal importance to put in place a “barrier-free” environment for the elderly. Such a move will make Hong Kong a genuine caring society.

### Current Situation

Hong Kong ranked low in the contest for the world’s “Most Livable Cities” surveys. For example, it ranked only 70 out of 215 cities in the “Quality of Living global city rankings” of an international consulting firm in 2008.<sup>39</sup>

2. The Government should set a prioritized level of attention to the realization of quality living environment, which helps Hong Kong to be one of the world’s “most livable city.” The Government should go beyond the “Ten Major Infrastructure Projects”, and take a more insightful and forward-looking approach in the planning of infrastructure through incorporating the principles of sustainable development and international standards.

### Proposal 1: Fresher Air

3. The public concern on air quality of Hong Kong should be addressed through adopting a faster pace in the implementation of the latest air quality guidelines of the World Health Organization, and taking the lead to set up a “Pearl River Delta (PRD) Emissions Reduction Fund” for the fostering of cross-boundary mitigation

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<sup>38</sup> Out of the “10 Major Infrastructure Projects”, the South Island Line, The Sha Tin to Central Link, the Tuen Mun Western Bypass and Tuen Mun-Check Lap Kok Link, the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the Hong Kong-Zhuhai-Macao Bridge, and the Hong Kong-Shenzhen Airport Co-operation are transport-related projects. See <<http://www.policyaddress.gov.hk/07-08/eng/p20a.html>>.

<sup>39</sup> See <<http://www.mercer.com/referencecontent.htm?idContent=1307990>>.



and adaptation strategy.

### **Detailed Recommendation 1**

4. The Environment Bureau should adopt the latest Air Quality Guidelines of the World Health Organization as soon as possible.

#### **Current Situation**

Air pollution has become the most worrying environmental issue for the people of Hong Kong. To make fundamental improvements on Hong Kong's air quality, the Council for Sustainable Development recommended a comprehensive package in 2008, consisting of nearly 40 action items.<sup>40</sup> Yet only a handful of these proposed actions are underway.

Hong Kong's current Air Quality Objectives have been adopted since 1987, which is outdated and stands on a level lower than the international standards. Despite the fact that the Chief Executive has committed in his 2008-09 Policy Address to "adopt targets in stages giving due regard to the World Health Organization's guidelines" for the improvement of air quality in the long run,<sup>41</sup> local environment groups were concerned that the Government might not adopt these guidelines in the near future.<sup>42</sup>

### **Detailed Recommendation 2**

5. The Government should also take the lead to set up a "PRD Emissions Reduction Fund". The Fund may be used to support two types of measures for the tackling of cross-boundary air pollution: A mitigation strategy and adaptation strategy.<sup>43</sup>

#### **Current Situation**

<sup>40</sup> See <[http://www.susdev.org.hk/file/council\\_report\\_2008\\_e.pdf](http://www.susdev.org.hk/file/council_report_2008_e.pdf)>

<sup>41</sup> The 2008-09 Policy Address, para. 90-91, <<http://www.policyaddress.gov.hk/08-09/eng/p90.html>>.

<sup>42</sup> 〈世衛新空氣污染指標環團指政府無意跟隨〉, *Ming Pao*, 9 October 2008, p. A17.

<sup>43</sup> The aim of mitigation measures is to reduce greenhouse gas emissions. These may include small-scale renewable energy projects, afforestation and distributed energy efficiency projects. Costs for project preparation, feasibility studies, project design and project management for qualified projects may be supported by project grants in full. The Fund may also be used for project design of adaptation measures that are considered to be most cost-effective and with the most pressing need, including Infrastructure strengthening; Resource conservation; and Urban and rural planning.

At least 10,000 people at the Pearl River Delta, which includes Hong Kong and Macao, died prematurely because of air pollution.<sup>44</sup>

### **Proposal 2: Cleaner Water**

6. With regards to water quality, the Water Supplies Department should launch projects for water quality upgrade, water conservation in buildings and air conditioning equipment, water recycling and the biological treatment stage of the Harbour Area Treatment Scheme.

### **Proposal 3: Tackling Climate Change**

7. To be a responsible global citizen, the Government should strengthen its efforts in the tackling of global climate change, and to promote the introduction of a “low-carbon economy and society”.

### ***Detailed Recommendations***

8. Other than existing transportation means, Hong Kong should put in place a low-carbon and sustainable transport system on a regional basis, for instance, the building of people movers and cycling tracks in the West Kowloon Cultural District, the early construction of inter-connecting promenades on both sides of the Victoria Harbour, the introduction of an electronic road pricing system aims at the fitting in with the Central-Wanchai Bypass, and to control the impact of the increasing cross-border traffic.
9. To help Hong Kong better prepared for extreme weathers and rise in sea levels, it would be important to strengthen slope protection and coast defence infrastructure, improve drainage and the safety standards for electricity transformations and transmissions in a proactive manner.
10. All Bureaus and the government departments should take the lead in adopting a low-carbon procurement policy, so as to encourage the widespread use of energy-saving appliances and low-carbon products.

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<sup>44</sup> 〈以 06 年污染水平推算珠三角萬人死於空氣污染〉, *Ming Pao*, 2 June 2008, p. A10.

### **Current Situation**

In 2007, Hong Kong has become a member of the C40 Group, a consortium of 40 cities in the world for the cooperation on tackling climate change.<sup>45</sup> Encouraging a low-carbon economy and formulating appropriate climate change policies have become pressing issues in international community. As a high-density city, Hong Kong is well poised to develop low-carbon technologies and services in the areas of construction and transport.

The Environmental Protection Department has commissioned a consultant to conduct a comprehensive study on climate change in Hong Kong.<sup>46</sup> However, the Government did not provide any hint on when a strategy combating climate change would become available to date.

### **Proposal 4: Cleaner Energy**

11. The dependence on petroleum and coal as the main source of energy should be reviewed, and to consider the further utilization of alternative sources of energy, such as natural gas in other areas and usages.

### **Detailed Recommendation**

12. To further reduce the pollutants in the air, it would be advisable to push the further use of natural gas in town gas generation, and in public transport as soon as possible. The Government should also consider capture and reuse of landfill gas, as well as the construction of waste-to-energy incinerators.

### **Current Situation**

At present, 28% of electricity generated by power plants in Hong Kong is gas-fired, the Chief Executive strives to increase the proportion of natural gas for local electricity generation to 50% in his 2008-09 Policy Address.<sup>47</sup> Natural gas has also been used in town gas generation since 2006,<sup>48</sup> but is limited in

<sup>45</sup> Hong Kong to join C40 Large Cities Climate Leadership Group, Press Release, November 1, 2007, <<http://www.info.gov.hk/gia/general/200711/01/P200711010204.htm>>.

<sup>46</sup> Consultancy Study on Climate Change Awarded, Press Release, 27 March 2008, <[http://www.epd.gov.hk/epd/english/news\\_events/press/press\\_080327a.html](http://www.epd.gov.hk/epd/english/news_events/press/press_080327a.html)>.

<sup>47</sup> <http://www.policyaddress.gov.hk/08-09/eng/p96.html>.

<sup>48</sup> See <<http://www.towngas.com/naturalgas/eng/introduction.html>>.

scale. In contrast with other overseas countries and the Mainland, there is no tool of public transport in Hong Kong using natural gas as the source of energy.<sup>49</sup>

#### **Proposal 5: Creation of a barrier-free society to facilitate the accessibility of the elderly**

13. In light of growing ageing population, the Government should facilitate a barrier-free society for the elderly in terms of the planning in built environment and in public transport.

##### ***Detailed Recommendation 1***

14. The development of a barrier-free society for the elderly should be promoted, through the creation of elderly-friendly built environment, and the modifications in the public transport system.<sup>50</sup>

##### ***Detailed Recommendation 2***

15. All Buildings should become more accessible to the elderly, through the amendment of the Practice Notes from the Building Department,<sup>51</sup> which should take into consideration of the guidelines concerning barrier-free access from the “Universal Design Guidelines for Residential Development in Hong Kong” as set by the Hong Kong Housing Society.<sup>52</sup>

#### **Current Situation**

The Government has committed to create a barrier-free society. However, the provision of assistance and promotion of accessibility is mainly targeted at the physically handicapped, but not to the elderly in general.

The ageing of the population, and the improved mobility of the elderly due to their better health conditions, renders an increasing need for elderly-accessible

<sup>49</sup> Beijing has reportedly had a natural gas bus fleet of 4 000 in 2008. See <[http://www.chinadaily.com.cn/china/2008-06/20/content\\_6781057.htm](http://www.chinadaily.com.cn/china/2008-06/20/content_6781057.htm)>.

<sup>50</sup> The examples include: The construction of projects with unhindered access from homes to public amenities, communal and recreational facilities in public housing; Promoting elderly-friendly buses—make all new buses low-floor, step-free and wheelchair accessible; Cooperate with the Housing Authority to make public housing to become barrier-free (for example, providing lift upgrade services).

<sup>51</sup> The notes can be viewed at <[http://www.bd.gov.hk/english/documents/index\\_pnotes.html](http://www.bd.gov.hk/english/documents/index_pnotes.html)>.

<sup>52</sup> Hong Kong Housing Society, “Universal Design Guidelines for Residential Development in Hong Kong”, <<http://www.hkhs.com/eng/info/udg.asp>>.

design in the built environment and other public facilities. It would also be important for the preparation of the ageing of the public, and the promotion of an active ageing society. Hence, the creation of a barrier-free society should cater for the needs of the elderly as well. Such a move can empower the elderly for a normal social life, and they might add value to the economic activities as well.

### **Proposal 6: Spatial Diversity**

16. A hierarchy of secondary city centre outside the metro core should be developed to address the spatial imbalance across the territory.

### **Detailed Recommendation**

17. The development of “secondary city centres” beyond the metro core, with a broad development mix covering residential, commercial, business services facilities, and government facilities, should be thoroughly considered. Nam Cheong Station is an option which should be considered for the creation of business-cum-hotel node, if not a “secondary city centre”.

#### **Current Situation**

There is a general view that both sides of the Victoria Harbour are too densely developed, resulting in high rental and business costs. On the contrary, the New Territories is lagging behind in development, causing insufficient employment opportunities in the new towns, and a vicious cycle of prolonged poverty for the residents living in those communities. The geographical mismatch between residence and working opportunities also incurs both additional traffic flow and high transportation costs for the residents in the New Territories.

## VII. Concessionary Measures for All

1. In light of the economic downturn and raising unemployment rate, which adversely affecting the community in general, the Government should provide some concessionary measures that can provide genuine benefits to all. The Professional Commons is in the view that the Government should provide immediate reliefs to maintain the general standard of living at large, irrespective of the income and socio-economic conditions of the population.

### Proposal: Public Transport Subsidies

2. As transport cost constitutes the third largest item in household expenditure. we propose the provision of an “across-the-board” rebate scheme in public transport, that is, the Government should provide a 30% fare rebate per trip for all public transport passengers (except for cross-boundary trips) for one year.

#### Current Situation

In 2008, major public transport operators have applied for fare increases. For instance, the franchised bus services increased the fares by 2%-7.24% in May 2008, and four ferry routes increased their fares by 5.5%-23% in July 2008.<sup>53</sup> Recently, the bus companies have also withdrawn the “bus interchange concession scheme” affecting over 500 000 passengers per day, as well as providing a flat rate of HK\$2 for the trip made by the elderly aged 65 or above on Saturdays, Sundays and public holidays (which follows a similar decision of the Mass Transit Railway earlier) affecting over 300 000 elderly making those trips during the weekend.<sup>54</sup> The withdrawal of these concessionary measures have added significant burden to public transport passengers.

### Detailed Recommendations

3. All passengers using public transport will receive automatic rebates through their Octopus Cards under the “across-the-board” scheme. This involves the least amount of administrative costs, and is extremely comprehensive (95% of the population aged between 16 and 65 has an Octopus Card, and all major public

<sup>53</sup> 〈五巴今起加價長途客多付一元〉, *Apple Daily*, 8 June 2008, p. A8.

<sup>54</sup> 〈三巴明年撤優惠變相加價〉, *Apple Daily*, 11 December 2008, p. A6; 〈港鐵撤長者假日優惠捱批〉, *Oriental Daily*, 26 November 2008, p. A16.

transportation modes accept the Octopus Card).<sup>55</sup>

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<sup>55</sup> See <<http://www.octopuscards.com/corporate/why/statistics/en/index.jsp>>.

**IT Staff Remuneration in Capacity Enhancement Grant (CEG)**

District	Name of School	IT Staff Remuneration		Total Amount of CEG (HK\$)
		Amount (in HK\$)	%	
<b>Central and Western</b>	<b>St Joseph's College (Secondary)</b>	<b>102 720</b>	<b>23.56</b>	<b>436 000</b>
Eastern	St. Mark's Primary School	0	0.00	229 435
<b>Wan Chai</b>	<b>Tang Sui Kin Secondary School</b>	<b>356 580</b>	<b>64.79</b>	<b>550 330</b>
<b>Islands</b>	<b>Tung Chung Secondary School</b>	<b>0</b>	<b>0.00</b>	<b>932 222</b>
Southern	Southern Government Primary School	0	0.00	511 308
Kowloon City	G.C.E. Past Students' Association Whampoa School (Primary)	0	0.00	762 091
<b>Kwun Tong</b>	<b>Kwun Tong Govt Secondary School</b>	<b>370 692</b>	<b>24.53</b>	<b>1 511 010</b>
Sai Kung	PLK Wong Wing Primary School	107 100	13.54	791 027
<b>Sham Shui Po</b>	<b>Chan Siu Kui Memorial School (Secondary)</b>	<b>276 000</b>	<b>62.59</b>	<b>441 000</b>
Wong Tai Sin	SKH Kei Sum Primary School	0	0.00	560 660
Yau Tsim Mong	St Mary's Canossian College (Primary)	0	0.00	265 508
North	Fanling Government School (Primary)	127 827	14.22	899 022
<b>Sha Tin</b>	<b>Buddhist Wong Wai Tin College (Secondary)</b>	<b>0</b>	<b>0.00</b>	<b>1 078 913</b>
Tai Po	Sam Shui Natives Association Huen King Wing School (Primary)	0	0.00	252 665
<b>Tsuen Wan</b>	<b>Lok Sin Tong Ko Chiu Man Secondary School</b>	<b>0</b>	<b>0.00</b>	<b>395 713</b>
Tuen Mun	STFA He Yat Tung Primary School	252 000	11.53	2 185 258
<b>Yuen Long</b>	<b>TWGH CY Ma Memorial College (Secondary)</b>	<b>128 394</b>	<b>29.93</b>	<b>428 972</b>
<b>Kwai Chung and Tsing Yi</b>	<b>CNEC Christian College (Secondary)</b>	<b>128 394</b>	<b>13.70</b>	<b>937 209</b>

(Source: Official Websites of the schools; Annual Reports from the schools concerning the CEG for the academic year of 2007/08 or 2008/09)