

Issued on: 5 October 2018

**HKIoD's recommendations for
the Chief Executive's Policy Address
scheduled to be delivered on 10 October 2018**

In the view of HKIoD, deep-seated problems continue to plague Hong Kong. A year on, the promise of “hope and happiness” is still far.

Hong Kong has fallen off its pace in the race for economic development. Hong Kong must catch up in infrastructure investment to make headways for growth and to up the capacity to meet social service needs. But recent scandals in construction projects will cast doubts in construction quality. A source of Hong Kong Pride is from how we get things done and do them well. That Hong Kong Pride may be on the slide to become a Hong Kong Myth. That slide needs to stop.

Innovation can help us do things better. The power of better design can help society find new and better ways to deliver public services. The Policy Address delivered a year ago embraced the notion of design. To have real progress, the Chief Executive must go beyond the talk. We expect firmer plans of execution, to strengthen our ability to deploy design and technology to deliver people-centred solutions with impact on the way to meet societal needs.

To ensure long-term prosperity will require sustained economic growth

Economic growth remains our best friend when it comes to finding new monies to invest for our future. With sustained economic growth, all walks of life are that much more able to share in the prosperity, and the younger generation will have that much less difficulty in finding more jobs and opportunities for their choosing.

Between the elder and the young

There remains a strong voice for the need to take care of the youth. The younger generation deserves help where due, but in our mind, the bulk of thoughts and energy should be put to effectuate structural growth and development that will arrest the loss and further loss of Hong Kong's ability to perform and compete in the long run. The best surrogate to arrive at any good youth policy outcome is an effective economic development strategy. A more diversified economy will create more opportunities for them to construct their future.

The growing contingent of our elder population will deserve an elder policy no less – probably more – than the younger generation for a youth policy. A better economy will mean more resources to take care of the elderly today. A better economy should also enable workers of today to have less need to rely on the safety net and live their golden years with dignity.

The era of low interest rates is over

With interest rates making their climb, steering the economy may require a different take. The Chief Executive will have to assure Hong Kong People that the Government is prepared and ready to meet the challenge.

World trade and economic order in adjustment

We expect the trade tensions between U.S. and China to linger on. The world economic order may be on for an adjustment. Some Hong Kong businesses may be particularly affected. The Government should have plans in place to give them appropriate support.

With the Hong Kong-ASEAN Free Trade Agreement in place, the Government has the tool to help Hong Kong businesses explore opportunities and to open up new markets. And with the Regional Comprehensive Economic Partnership becoming a real prospect, the Government can also do more to open the way for Hong Kong to be a part, and for Hong Kong businesses to have better access to new markets.

Belt & Road, are we ready? Greater Bay Area, are we ready?

The grand vision of “One Belt, One Road” and the ambition of a Guangdong-Hong Kong-Macao Greater Bay Area are gifts from the central government for Hong Kong to stay relevant. Belt & Road will mean vast market corridors for Hong Kong businesses and service providers. We expect the Government to have pragmatic measures to facilitate the freer movement of capital, people, goods and services across border. Hong Kong’s own planning for the future should also factor into account the potential synergy that could be achieved through the collaboration of the Greater Bay Area constituents.

For those living and working across the border

We are aware of calls for Hong Kong persons living and working across the border to be given “national treatment” regarding eligibility for and access to social services and amenities there. The Mainland authorities responded. There remain desires and requests for Hong Kong persons to be given Mainland tax breaks of one kind or another. Mainland authorities can of course resolve to offer such concessions, but Hong Kong People may not want to be seen as taking too much a leap from being “super-connectors” to “supra-nationals” when indeed we are the one seeking green pasture.

Consumer protection must protect consumers

Some laws and regulations are promulgated, and need to be so, because even sophisticated consumers will not always have the range of alternative choices to not get squeezed. Although businesses must be given the freedom and leeway to go about winning their customers, that freedom should be restrained when market competition is artificially distorted.

Some years ago, a real estate investment trust scheme was devised with the aim to make food markets in many housing estates better for shoppers. Years later, shoppers in many of those neighbourhood are yearning for options away from look-alike malls. We believe better smarter wet markets can provide that option for residents in many parts of the city. That would also help us keep and preserve a Hong Kong way of living.

Lending and borrowing is one part of the capitalist way of things. Money lenders should be allowed to go about doing their business, but they must know to stay within bounds. While borrowers ultimately have to help themselves by keeping within their means, society should not condone lender practices that have the ill effect of tempting customers into a debt trap.

Let locals and tourists walk the walk

The Policy Address delivered in January 2017 made walkability a priority. We still need further measures to create a pedestrian environment that will truly let people walk the walk. Nicer more level pavements everywhere will surely do. Stylish street lights and fences that give the whole of Hong Kong some uniform distinct character should not hurt. And do keep the streets and back alleys clean and tidy.

Public transport and the commute

We could be more decisive with measures to make more people finding it right to take public transportation.

There can be more conviction at rationalizing bus routes. Cross-harbour buses, once they crossed the harbour, can be better deployed to serve local needs and potentially reduce the number of buses running on same stretches of road.

The public will now demand bus drivers to drive safely, and they should also have the skills to operate a vehicle with passenger comfort in mind. Many aging riders have had bad – even dangerous – experiences with rocking motions when a bus is pulling to speed or braking to a halt. The same goes to other modes of public transport.

If “tapping on and tapping off” is the way to let riders enjoy lower fare for shorter segments travelled or to enjoy a more generally available transfer fare mechanism across different operators, we could be having happier commuters with fewer vehicles on the street. We surmise riders will eventually not mind too much, if at all, an extra tap getting off if they can save some real dollars.

Shades were built at a number of bus stops to give waiting passengers some shelter from the rain. We now see a seat or two being installed onto column posts. Looks good, but with huge poster panels straddling over several column posts at some of these stops, we just wonder whether the seats are there to serve waiting passengers or to obstruct pedestrian traffic even more.

With rail services being the backbone to our public transport, riders will demand a stable reliable service.

Double down on the fight against double parking

On narrow streets that Hong Kong has, any obstruction can cause some traffic back-up afar. Double parking – and surely other forms of illegal parking – may have gone out of control. Some blames the lack of parking space. Indeed, the demolition of several major car parks around town is not helping the situation. We are mindful that more parking space may yet encourage more cars, but cars circling the streets to look for parking or queuing up outside car parks waiting for entrance can just as much be a cause of traffic congestion. Somewhere there needs to be a balance.

Garbage ... what to do with our garbage?

The Producer Responsibility Scheme on Waste Electrical and Electronic Equipment did roll out in August. We believe the scheme can only be better if more recycling operators are permitted entry.

The aftermath of Typhoon Mangkuht showcased the need for Hong Kong to have a more organised approach when dealing with tree waste and debris.

Justice to be served

The Government decided that Hong Kong (other than schools) should resume normal operations the Monday after the Typhoon Mangkuht hits. The decision rests on a finding that there is “no legal basis” for declaring an emergency. The Government may have its logic, but for cases and matters that already have legal bases to prosecute and enforce, would it not be right for the Government to take yet quicker and firmer actions?

Growth through innovation

Innovation and technology fosters great return in a Creative Economy, and few can deny it. The previous Administration has introduced a few initiatives to promote innovation and technology. R&D spending as part of GDP remains low nonetheless, and there is room – and necessity – for further fiscal incentives to encourage R&D.

The Institute has great respect for the many achievements local universities have made in upstream academic research, but we need them to redouble the efforts downstream to turn more research into products that have societal impact.

We see the value in bringing back high-skilled manufacturing as part of a more diverse economy.

By connecting things or concepts that are seemingly unrelated, creative design could emerge. By bouncing and rearranging ideas old and new, or from one culture to another, innovative products could result. We ask the Government to be more active in providing resources and opportunities for industry segments to spark innovation through cross-fertilisation.

Creativity and innovation has the effect of driving the economy, reshaping entire industries and improving the job prospect for more people. A Creative Economy stimulates economic growth, enhances city vibe and in all improves social welfare. The Administration should do well to pin down on a strategy to achieve growth through innovation.

Creative Economy, Creative Society

The power of better design does not just spark innovations fetching more profits. The power of better design can also help society find new and better ways to deliver public services. There should be opportunities and the need for us to better tap creative ideas to improve well-being. The next innovation is good. The next innovation in solutions would be even better, in applying new ideas, new technology and new products to come up with people-centred solutions to real problems facing us.

Amidst a global pursuit of Creative Economy, the Administration should help ensure Hong Kong designers and innovators have a share of the opportunities stemming from the Belt & Road and the Greater Bay Area initiatives.

Live their golden years – and die – with dignity

Tsunami warning

The expected rise in the elder population will put strain on healthcare, elderly care and a whole range of related social services. Hong Kong needs to invest to increase capacity.

Aging at home and a home care service industry

If we were to effectuate the avowed policy of aging at home, we need far more resources allocated and much more resolute support to service providers to cut the waiting time for home care services.

Home care service provision must shed its image of being just social welfare. Home care service provision has all the potential to evolve into an industry of good business prospect with professionalised operations. We need more people with the right training and the commitment to work in this industry. The Government can come up with stronger plans to channel some of our labour force, younger workers included, into home care services and to spark the local home care service industry.



Retirement homes

While aging at home may be the wish, many will have to settle for retirement homes. We need to ensure service quality at retirement homes. The elderly we are to care for deserve dignity. We can devise smarter ways to provide services, but to care for the elderly is not something we can lightly rely on machines and automation.

Retiring to the Mainland is a real prospect. It has some practical advantages. The Government could support investments to build retirement residence communities on the Mainland, with integrated medical facilities, for Hong Kong retirees to retire on the Mainland.

Better healthcare for all

The projected need for more hospital beds over time needs to be met, and Hong Kong should invest to increase capacity.

Waiting time for treatment at specialised clinics is plain long. And those on wheelchairs often find it difficult to gain access to government clinics. The Government should invest so there is better healthcare for all.

Chinese medicine and should deserve a place in our public health care provision. Hospitals specializing in Chinese medicine deserve a place in their own right. Geriatric hospitals combining Chinese and Western medicine will be a welcome alternative for many of our ageing population. The role Chinese medicine can play in primary care and in preventive medicine should not be denied.

Medical incidents, far too many!

The Government should introduce further measures to enhance service quality and prevent medical incidents at our hospitals.

We are short staffed!

If our healthcare system is hampered by a shortage of manpower to meet demand and to keep up quality, close that gap.

Talent, education and immigration policy

With a tight labour market, especially in certain sectors like construction and elderly care, there is a genuine need to import labour.

We may also need to attract talents and professionals from overseas. As we do so, we must avoid the situation where true experts are turned away just because of some narrowly guarded sectoral interest.

There can also be better incentives to unleash the latent workforce. To entice homemakers, we will need flexible work hours and better availability of high quality child (and elderly) care facilities near the workplace as attractive alternatives to hiring domestic helpers.

Hong Kong is a free society, but that does not contradict tight immigration rules and procedures to prevent people with doubtful even false refugee claims from obtaining residency in Hong Kong. The situation has worsened to become a public security concern.

To support our growth strategy, our own education system needs to churn out people with the right practical skills, not just academic degrees. Creativity and design thinking needs to be instilled from young age to foster an innovation culture among our students and eventual

workforce. For the Hong Kong curriculum to be indifferent in STEM and artistic design, Hong Kong students will be left behind.

Exposure to foreign students should benefit our own local enrollment by enriching their school experience. The seeming advantage of an “international perspective” among Hong Kong students fades, however, when such is not matched with an understanding and appreciation of the state of affairs in Mainland China.

Better company directors for better corporate governance

Training for directors in corporate governance knowledge and skills is an important yet often neglected segment when it comes to nurturing talents for Hong Kong.

Company directors are ultimately responsible for corporate governance. Better quality company directors should mean better corporate governance. As part of the HKSAR 20th anniversary celebration, there was in March 2017 a Corporate Governance Roundtable. HKIoD was a proud supporting organization for the event. Through the event, the Government sought to promote and enhance good governance. The Chief Executive can further that purpose by highlighting the importance of initial and continuing training of corporate directors to better help them fulfill their duties.

Corporate governance is not just for profit-seeking companies. Social enterprises, charitable organisations and statutory bodies should also find it to be good investment to help their directors/governors get ready and be prepared to discharge their duties with good training.

Housing and land supply

The previous Administration demonstrated a strong determination to increase the supply of housing units, and this Administration must continue the effort.

We believe the proportion of public housing in the larger housing supply can be suitably increased. Within this increase in proportion there is good reason to have a bias towards public rental housing. The pricing mechanism for subsidised homes should be one that keep it affordable with reference to the prevailing income of eligible buyers. Subsidised homes should be more for meeting housing needs and less of a commodity, and so reinstating a longer resale restriction period would seem reasonable.

The Land Debate

That Hong Kong faces a shortage in land supply needs no debate. How best to tackle that land shortage can draw some haggling and argument, however. It is not realistic to expect unanimous support for any one solution option, but it is probable that a genuine debate will allow the community to settle on some package of proposals that addresses land need. The costs and trade-offs for meeting that need can also then be better revealed.

The Administration can seek to drive the debate with some inclination towards what it thinks are the better options going forward. But if there is to be a genuine debate, options that go beyond those preferred by the Administration ought not to be ignored and excluded. We are aware of sensible propositions put forward by certain groups that are not among the 18 options in the Public Engagement exercise.

There are certain views expressed out there, and it is also our impression, that the Public Engagement has detached land use from the debate on how to increase land supply. What

options ought to be taken to increase land supply could well depend on the perceived need for land sites so obtained.

The most pressing need for land use and the most talked about is for housing. With the completion of more housing units, we can probably re-establish a flight of steps for younger persons and families to improve on their housing condition and quality of living in realistically reachable climbs. For those seriously in need for public rental housing to satisfy basic housing, the promise of a three-year waiting time can also be better kept.

HKIoD would like to reiterate another concern, that in meeting the acute housing demand now, we do not forget the other long-term goal of increasing the living area per person. Perhaps we can add a bit of creativity in the floor plan design of the new housing units, such that when the pressure on housing lessens, the units can be suitably re-modelled to become larger units. At the least, we need smarter floor plans with better actual usable space so smaller units can still make for a good habitat.

As we build more homes, we should not do so at the expense of quality urban life. To build more housing in already crowded communities without worsening the living environment for everyone is not easy. And every new town we create will need to have proper and adequate public amenities, which will translate into another realm of land need. There is no point in building more communities if we cannot access and live comfortably in them.

And while we think about housing, we should not forget about land use for commercial use. Trends in demographics will also call for a rethink of how to utilise Hong Kong's land resources for social and health services.

Land supply in Hong Kong should not just be a matter of revenue generation. The decisions to put Hong Kong's land resources to various use must comport with strategic developmental goals.

Land may be a precious commodity in Hong Kong, but developable land in Hong Kong has surely not been exhausted. A better more efficient utilisation of idling land sites must be considered alongside the search for new plots, whether through reclamation or otherwise. Land sites now occupied by one use could well be released if such use can be suitably relocated.

To release existing land sites for another use will involve a bargain with the existing holders of the land interest. In some situations, public-private partnership will be a sensible tool to be deployed. In those situations, the public will expect the Administration to not shed its responsibility in dictating land use with public interest in mind. Holders may rightfully make a gain on their interest in land, but it will be a public outcry if their gain is seen as too much of a windfall just from having a stockpile of land plots.

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