

Opening remarks by CE at LegCo Chief Executive's Question and Answer Session

Following are the opening remarks (English translation) by the Chief Executive, Mrs Carrie Lam, at the Chief Executive's Question and Answer Session in the Legislative Council today (January 12):

Mr President and Honourable Members,

Good morning. First of all, let me congratulate the Hon Andrew Leung on being re-elected as the President of the Legislative Council (LegCo), continuing to lead the LegCo in fulfilling its responsibilities in the four years ahead. Today is the first meeting of the Seventh LegCo of the Hong Kong Special Administrative Region (HKSAR) of the People's Republic of China (PRC). The display of the national and regional emblems in the Chamber marks a milestone of the political system of the HKSAR. The current-term LegCo is the first Council formed by the HKSAR in accordance with the decision passed by the National People's Congress (NPC) in March last year and the subsequent amendment of Annex I and Annex II to the Basic Law by the Standing Committee of the NPC to implement the improved electoral system of the HKSAR, ensuring "patriots administering Hong Kong". Last Monday, with myself as the Administer of Oath, all 90 Members solemnly took an oath to uphold the Basic Law and swear allegiance to the HKSAR of the PRC and from then on, you will duly perform the constitutional functions of the legislature. I hereby extend my congratulations again to each and every elected Member and promise that the governing team under my leadership will co-operate wholeheartedly with all Members during my tenure of office.

Today is the first Council meeting convened under the current-term LegCo. As our top priority remains to put under control the epidemic situation caused by the Omicron variant with our best endeavours, I believe Members' questions to be raised later on will focus on this issue. As I have publicly talked about our anti-epidemic efforts on quite a number of occasions during the past week, I would like to take this opportunity of attending the Council Meeting to brief Members on our work on three other fronts instead, i.e. to foster an executive-legislature relationship, take forward the development of the Northern Metropolis and re-organise the Government structure.

Executive-legislature relationship

Over the years, those who are anti-China and who have attempted to destabilise Hong Kong had tried to politicise council businesses and made it difficult for the LegCo to fully perform its functions in fostering mutual co-operation with the executive authorities while exercising checks and balances, and supporting the executive-led approach in developing the economy and improving people's livelihood. Since the opposition Members left the

LegCo at the end of 2020, 2021 has been a fruitful year marked with a constructive and interactive relationship between the LegCo and the executive authorities with remarkable achievements. The LegCo passed 46 Government bills last year, doubling the average of past years. Over \$320 billion was approved for the Government to take forward infrastructure and other livelihood projects. I have also exercised the constitutional power of the Chief Executive to approve in writing two Private members' Bills. Such achievements brought about by the co-operation between the executive authorities and the legislature have opened up an era of good administration and governance.

Members of the current-term LegCo have come from different backgrounds, trades or professions which reflect their broad representation and political inclusiveness. Irrespective of whether they were elected through the Election Committee Subsector, functional constituencies or geographical constituencies, they will reflect the voices of different sectors in society, and despite their differences, they will work in harmony for the well-being of the people and the development of Hong Kong. My governing team and I look forward to working in full co-operation with all Members to produce actual results in our work under the improved electoral system, so that our efforts will earn recognition of the public and demonstrate the advantages of the new system and lay a solid foundation for the healthy and long-term development of democracy in Hong Kong.

In support of the work of the LegCo, I will regularly attend the Question and Answer Sessions of varying durations to respond directly to Members' questions. I also request officials to give simple, clear and well-justified replies to the oral questions at the Council meetings. In the process of policy formulation, the Secretaries of Departments and Directors of Bureaux should also have formal or informal exchanges with Members and consult the relevant LegCo Panels as early as possible. The Chief Secretary for Administration will also maintain communication with the Chairman and Deputy Chairman of the House Committee through weekly meetings. The HKSAR Government itself will certainly spare no effort in information dissemination and public communication on policies to enlist public support.

Enacting and amending laws are the important functions of the LegCo. When delivering the 2021 Policy Address, I announced 40 legislative proposals proposed to be presented to the current-term LegCo. These 40 proposals cover legislative proposals with strong policy content known at the time. They have not included the more technical legislative amendments. Hence, there will eventually more bills to be introduced into the current-term LegCo. Many of the 40 proposals are issues of concerns among incumbent Members, including amending the Copyright Ordinance for which a consultation exercise is underway, introducing mandatory reporting to prevent child abuse, raising the maximum penalties for occupational safety and health offences, abolishing the "offsetting" arrangement under the Mandatory Provident Fund system, streamlining the statutory procedures for land development, and enacting local legislation to implement Article 23 of the Basic Law in Hong Kong. The Chief Secretary for Administration is in the process of co-ordinating the legislative programme of the current session, which will be submitted to the

LegCo for reference in due course. It seems that this year's legislative work will be pretty heavy.

The Northern Metropolis

The Northern Metropolis is a key plan to map out the future of Hong Kong in my 2021 Policy Address. Its planning concepts and spatial layout will facilitate Hong Kong's integration into the overall development of our country and help us seize the opportunities brought about by the Greater Bay Area (including Qianhai), as well as our attempt to usher into a new era by addressing problems such as economic transformation, employment, housing, transport and imbalanced territorial development.

Since the promulgation of the Northern Metropolis Development Strategy (the Development Strategy), as at end of last year, we have taken stock of over 300 editorials and commentary articles. The community in general supports the development of the Northern Metropolis with fairly positive responses, some of which stated that the Government "should be recognised as it has demonstrated a broader and holistic mindset and setting for development", and "brought hopes that the housing shortage problem could be resolved", while some pointed out that the Government "should have the determination and courage to act out of the box" to rise up to the tremendous challenges posed by the implementation of the Development Strategy. There were many well-intentioned criticisms, including, among others, execution is the key, as well as the need to expedite implementation by streamlining and removing red tapes, overcome the problem of manpower shortage in the construction and other industries, and strengthen cross-bureaux collaboration.

To meet the community expectations on the Northern Metropolis, I have urged the relevant bureaux to lose no time in taking follow-up actions on various key issues in respect of the Development Strategy. Before I move on to talk about specific projects, let me reiterate the importance for society to create favourable enabling conditions for the Development Strategy, so as to ensure that the vision can be followed through and accomplished.

First, the land development process should be substantially streamlined. To achieve full implementation of the Development Strategy within 20 years, bold decisions should be made to compress the land planning process. The Development Bureau will introduce to the LegCo specific proposals on streamlining land development process in this quarter, which will cover a number of ordinances such as the Town Planning Ordinance, the Lands Resumption Ordinance and the Environmental Impact Assessment Ordinance.

Second, there should be effective land consolidation and disposal. We will study the development of innovation and technology (I&T) land under a mixed development mode. Apart from continuing to develop multi-storey industrial buildings for the production and research and development (R&D) undertaken by small and medium enterprises, we will consider adopting the "two-envelope" tender approach for granting land to major I&T enterprises, after taking into account both the technical and price proposals. Such enterprises will be allowed to build R&D or production facilities on their

own, thereby attracting high-end manufacturing industries and R&D institutes to establish a presence in Hong Kong. In addition, there is a considerable amount of Tso/Tong land in the Northern Metropolis. The Home Affairs Bureau and the Heung Yee Kuk have convened their first meeting to discuss unlocking the development potential of Tso/Tong land.

Third, policies conducive to the development of industries and talents should be formulated. Apart from land policy, we need to be more open-minded in considering policy incentives to attract enterprises and talents from the Mainland and overseas to come to Hong Kong for development. The Global STEM Professorship Scheme launched in mid-2021 is a huge success, showing the attractiveness of Hong Kong to overseas quality R&D talents. Recently, I have convened inter-bureau meetings within the Government to discuss policies and specific measures to pool and retain talents and human resources in Hong Kong.

Fourth, the execution mechanism should be strengthened. As large-scale development projects straddle across various policy bureaux, I have proposed in the Policy Address that the next-term Government may consider creating a Deputy Secretary of Department post to steer large-scale regional developments such as the Northern Metropolis and the Lantau Tomorrow Vision, and strengthen high-level steer, promote cross-bureaux collaboration, formulate indicators for performance monitoring, and liaise closely with the Shenzhen Municipal Government. I will talk about the part on re-organisation of the Government structure a moment later.

I hope that Members can actively share their views with the Government on the several aspects mentioned above when discussing the Development Strategy inside and outside the Council in future. I will now brief Members on the progress and direction of several key initiatives.

- With reference to the transport infrastructure-led concept, the HKSAR Government has discussed three cross-boundary projects of the five railway projects recommended in the Development Strategy with the Shenzhen Municipal Government at the working level. I plan to visit Shenzhen and meet with the leaders of the Municipality for an exchange of views in due course. On the Hong Kong side, the Transport and Housing Bureau is considering the locations for additional stations along the Hong Kong section of the Hung Shui Kiu/Qianhai Railway. Regarding the northern spur line of the Northern Link, we have requested the MTR Corporation Limited to submit technical and financial proposals of the spur line within this year.
- An important objective of the Development Strategy is to create more land for housing, I&T and commercial development, which involves an additional 600 hectares of land and 160 000 to 180 000 residential units in four areas. The Development Bureau has incorporated the two areas of the San Tin Technopole and the Lo Wu/Man Kam To Comprehensive Development Node into the planning and engineering studies on the San Tin/Lok Ma Chau Development Node, and the New Territories North New Town and Man Kam To that commenced in October last year. As for the other two areas, namely the expansion of the Hung Shui Kiu/Ha Tsuen New

Development Area (HSK/HT NDA) to cover Tsim Bei Tsui, Lau Fau Shan and Pak Nai, and the extension of the Kwu Tung North New Development Area (KTN NDA) to cover Ma Tso Lung, the relevant studies will commence within this year. Furthermore, the Development Bureau is planning to re-zone three hectares of Business and Technology Park sites in the KTN NDA for housing development in the second half of this year.

- Compared with the new town developments in the past, we have attached greater importance to employment opportunities in the Northern Metropolis. Apart from the San Tin Technopole, the HSK/HT NDA within the Northern Metropolis enjoys the advantage of its proximity to Qianhai on the opposite side of the Shenzhen Bay, and has the potential to develop into a business and modern services centre. I have instructed that the Government should take up the role as the pioneer and relocate certain non-location-bound government departments to the Northern Metropolis to promote development of the region and create employment opportunities there. The Development Bureau has already identified a site in the KTN NDA for the construction of a government complex. The Government Property Agency will also complete a study in the first quarter of this year to decide on the government offices to be relocated to the Northern Metropolis. To lend support to this move, the Hong Kong Housing Society has taken the lead to set aside space in its Northern Metropolis regional office in Fanling to set up the first proptech co-working space in Hong Kong in collaboration with Cyberport. Start-ups will be invited to set up their businesses in the co-working space within the year.
- We need to plan early for the provision of major community facilities in the Metropolis to make it a liveable place. When the Secretary for Food and Health and I met with the Chairman and the Chief Executive of the Hospital Authority earlier on, both sides agreed in principle that three hospitals would be provided in the Northern Metropolis either by expansion or construction. Among them, the expansion of the North District Hospital has commenced and will provide an additional 1 500 beds upon completion in 2028. The Kwu Tung North Hospital, which is expected to become the core hospital in the Northern Metropolis, will provide at least 1 600 beds according to preliminary estimates. Given its proximity to the San Tin Technopole, the Kwu Tung North Hospital will serve as a research hospital with comprehensive functions. It will provide treatment and consultation services and engage in medical R&D and fulfill teaching purposes as well, thus achieving synergy with life sciences industry in the San Tin Technopole. Furthermore, the Food and Health Bureau is considering increasing the number of beds in the proposed Hung Shui Kiu Hospital to over 2 000. In addition to public hospitals, we also plan to allocate land in the Northern Metropolis for the development of private hospitals. Besides, the Home Affairs Bureau will submit funding application to the LegCo for the construction of a cultural centre in Fanling within this year.
- The Northern Metropolis attaches importance to urban-rural integration and co-existence of development and conservation. To ascertain the coverage and management models of the three Wetland Conservation Parks respectively located in Nam Sang Wai, Sam Po Shue and Hoo Hok Wai, the Sha Ling/Nam Hang Nature Park and the Hong Kong Wetland Park Extension Area, as well as to assess the effectiveness of relevant measures on

creating environmental capacity, the Environment Bureau is making preparations for the commissioning of a consultancy study within this year. Besides, the Bureau plans to commence the statutory procedures for the designation of Robin's Nest as a country park in the second half of this year. In addition, the Security Bureau will open up the Sha Tau Kok Pier, currently within a closed area, in the second quarter of this year, allowing group tours to go sight-seeing and shopping in "designated zones" or take a ferry at the Pier to tourist attractions like Lai Chi Wo and Kat O. It is planned that a public consultation on the feasible options of further opening up the Sha Tau Kok Town (except Chung Ying Street) will be carried out by the end of this year.

Re-organisation of the government structure

"One cannot make bricks without straw". A rationalised government structure will be conducive to promoting policy innovation and enhancing the effectiveness of governance. I have mentioned in the 2021 Policy Address the significance of re-organisation of the government structure and put forward five initial ideas. I have also made it clear that such ideas are only intended to stimulate further thought. The current-term Government will, upon consultation with stakeholders, work out a detailed re-organisation proposal for discussion by the Seventh Term Legislative Council. It will then submit the proposal together with the views of Members to the Chief Executive-elect, to be returned by election on March 27, 2022, to consider whether the proposal should be implemented by the next-term Government.

After discussion within the Government for three months and having regard to stakeholders' views, the current-term HKSAR Government has put forth the re-organisation proposal as follows:

1. to set up a new Culture, Sports and Tourism Bureau to take over the culture, arts and sports portfolios from the Home Affairs Bureau, as well as the film, creative industries and tourism portfolios from the Commerce and Economic Development Bureau. Consolidating the culture, sports and tourism portfolios currently within the ambits of different bureaux under the Culture, Sports and Tourism Bureau can better steer and promote the development of the cultural industries of Hong Kong, which be conducive to creating synergy for the development of Hong Kong as an East-meets-West centre for international cultural exchange as stated in the 14th Five-Year Plan;
2. to split the Transport and Housing Bureau into two policy bureaux. The Housing Bureau upon re-organisation will take full charge of the housing policy which tops the agenda, especially in expediting public housing production for people to move in as early as possible; optimising the use of existing public housing resources to help the needy; supporting households who have been waiting for public rental housing allocation for a long time; enriching the housing ladder by making home ownership more affordable; and closely monitoring the private residential market, etc. The Bureau can also focus on steering the Hong Kong Housing Authority and the Housing Department in implementing the array of new initiatives on housing introduced by the current-term Government, review

and adjust the measures in a timely manner, as well as maintain close liaison with the Hong Kong Housing Society, the Urban Renewal Authority and the MTR Corporation Limited to increase housing supply by joining forces with public organisations;

3. to re-title the policy bureau responsible for transport matters after the split as the Transport and Logistics Bureau to clearly reflect its dual role of taking charge of both external and internal transport matters. Under the transport infrastructure-led concept, Hong Kong will take forward various local and cross-boundary transport infrastructure projects and conduct territory-wide traffic and transport strategic studies in the next few years. The separate Transport and Logistics Bureau will be better positioned to focus more on handling these internal transport matters and can also better manage external transport issues, with a view to promoting the development of the maritime transport, air services and logistics industries, as well as consolidating and enhancing Hong Kong's status as an international transportation centre and an international aviation hub under the 14th Five-Year Plan;
4. to revamp the Food and Health Bureau as the Health Bureau which will be dedicated to medical and health policies. Apart from making continued efforts to fight the COVID-19 epidemic, the Health Bureau will press ahead with a number of major policy initiatives including implementing the two Ten-year Hospital Development Plans, promoting the development of Chinese medicine and drawing up the Primary Healthcare Development Blueprint. To ensure the sustainable development of our public healthcare system and support the development of industries, it is imperative for Hong Kong to update our public health strategies, step up efforts in monitoring and facilitating the development of health technology and the research and development of drugs, and resolve the problem of medical manpower shortage. We should also review the existing arrangement for clinical data, clinical trials and drug registration, etc. to assist in promoting the life and health technology industry;
5. to re-organise the Home Affairs Bureau and rename it as the Home and Youth Affairs Bureau to highlight policy focuses on district administration and youth work. The Home and Youth Affairs Bureau will step up efforts with a district-based approach and enhance social solidarity, as well as review and formulate the overall youth policy and a blueprint for youth development so as to encourage young people to participate in public affairs, and promote, co-ordinate and oversee the implementation of youth work by various policy bureaux. The Bureau will also conduct a comprehensive review on district administration and the way forward of District Councils;
6. to re-title the Innovation and Technology Bureau as the Innovation, Technology and Industry Bureau to reflect its mission of driving the application of I&T and smart production under the policy of re-industrialisation. The Innovation, Technology and Industry Bureau will enhance the policy function of re-industrialisation and strive to build an industry chain for I&T, which fully covers R&D, financing, production and even commercialisation, including exploring ways to attract more advanced manufacturing uses to the San Tin Technopole in the Northern Metropolis so that smart production can take root in Hong Kong, thereby

- building a more complete I&T ecosystem;
7. to expand the Environment Bureau and rename it as the Environment and Ecology Bureau to take over the policies on environmental hygiene, food safety, agriculture and fisheries, and veterinary public health etc. currently under the purview of the Food and Health Bureau to achieve better synergy. For example, the collection, recycling, delivery and treatment of waste can, upon re-organisation, be brought under the same roof and within the purview of the Environment and Ecology Bureau for greater cost-effectiveness, so as to facilitate the implementation of the policy initiatives on municipal solid waste charging, etc. and better integrate the development of agriculture and fisheries with natural ecology so that the modern agriculture and fisheries industries can be developed in a sustainable manner; and
 8. to consolidate and rationalise certain policy portfolios and related division of work in order to establish dedicated policy desks for such policies and to reduce dispersed functions. Examples include consolidating the currently dispersed policy portfolios on manpower development, poverty alleviation and retirement protection and transferring them to the Labour and Welfare Bureau.

With the aforesaid re-organisation proposal, the number of policy bureaux will increase from 13 under the current-term Government to 15. I propose that nine policy bureaux will be put under the supervision of the Chief Secretary for Administration, while the Financial Secretary will oversee the remaining six in order to achieve a more balanced division of responsibilities between them.

As I have pointed out in the part on the development of the Northern Metropolis, the next-term Government may consider the creation of the post of Deputy Secretaries of Departments to take forward and co-ordinate large-scale regional developments such as the Northern Metropolis and the Lantau Tomorrow Vision. Other matters requiring high level co-ordination include cross-bureaux issues such as national security, climate change and manpower policy. However, since whether the post of Deputy Secretaries of Departments should be created or not is a matter of the style of governance, it should be considered by the Chief Executive-elect.

We will issue a paper on the re-organisation proposal (see Annex) to the Legislative Council today to brief Members on the details. Under the leadership of the Chief Secretary for Administration, Directors of Bureaux concerned and colleagues responsible would brief Members at relevant Panels of the Legislative Council on the proposal and listen to Members' views. Members may also express their views during the debate on the motion of thanks in respect of the 2021 Policy Address. We aim to submit the proposal and Members' views for the Chief Executive-elect's consideration after the Chief Executive Election on March 27, 2022. The current-term Government will render full support by submitting to the Legislative Council the re-organisation proposal that is deemed appropriate by the Chief Executive-elect as soon as possible. All vetting and approval procedures concerned should be completed by early June 2022 to allow sufficient time for the Chief Executive-elect to complete the constitutional procedures of appointing

principal officials, so that the new government structure will come into operation starting from July 1, 2022.

Concluding remarks

Mr President and Honourable Members, with the leadership and staunch support of the Central Government, Hong Kong has got back on the right track of "One Country, Two Systems". This year also marks the important occasion of the 25th anniversary of Hong Kong's return to the Motherland. In the remainder of my tenure, I will lead my governing team to the best of my ability to work with the new-term Legislative Council and establish a constructive and interactive relationship between the Government and the Legislature. We will work in a rational and pragmatic manner to address long-standing problems in society in order to win the acclaim and recognition from members of the public on the improved electoral system, and to build a bright future together.