AUSTCHAM
HONG KONG
A MEMBER OF AUSTCHAM GREATER CHINA

28 July 2026

Dear Members,

The earlier chapters of the HKSAR Government's First Five-Year Plan focus on positioning, infrastructure and sector ambition. The later chapters turn to a more practical question: whether any of it will endure. That is where talent, education, housing and healthcare come in. For that reason alone, these sections warrant closer attention than they might usually receive.

The link the Plan draws is straightforward. Attracting high-calibre people takes more than a competitive visa scheme. Retaining them requires a city where daily life works well enough that people choose to build a life here, rather than treat Hong Kong as a stop along the way. The document is notably frank about the gap between attraction and retention, and that candour shapes everything that follows.

One area the Plan leaves largely implicit is schooling. For internationally mobile executives with families, access to reliable international school places can weigh as heavily in a stay or leave decision as housing. Hong Kong's international school network is part of the city's retention infrastructure. The Australian International School Hong Kong, which the Chamber helped found more than thirty years ago, exists because the community stepped in to build what was needed. Ensuring that capacity keeps pace with demand is a practical issue we will raise in our consultation submission.

The Northern Metropolis University Town sits at the centre of the longer-term agenda. The concept is clear: universities, research institutes, start-ups and industry parks located near one another, with commercialisation considered from the outset rather than added later. The targeted disciplines reflect where the government sees potential for internationally competitive clusters, including life sciences, AI, microelectronics, advanced manufacturing and high-end professional services. Whether the integration delivers on its promise will depend on execution, but the design logic is coherent.

Education reform follows a similar line of thinking. The emphasis on applied pathways, vocational training and continuous upskilling reflects what many employers have been asking for: graduates who are ready for a changing economy, not just qualified on paper. For employers, it also signals that workforce development is no longer solely a government function. It is becoming a shared responsibility. That shift in expectation is significant, and firms would be wise to consider what it means in practice.

Healthcare is framed in two ways. The first concerns public health service quality, including stronger primary care, better chronic disease management and greater use of digital tools. The second is the ambition to position Hong Kong as a centre for health and medical innovation, spanning clinical trials, pharmaceutical development, biotechnology, and precision medicine. These ambitions reinforce each other. A well-functioning public health system provides both the research platform and the credibility needed to attract serious global investment.

Digital government runs through the Plan, though more as supporting architecture than headline reform. For business, the real test will be whether AI in public services, stronger data infrastructure and administrative modernisation reduce day-to-day friction in permitting, compliance, customs and licensing. These functions may not attract headlines, but they directly affect operating costs and influence longer-term decisions about where firms base their people.

Housing receives more direct treatment than in earlier planning documents. Supply commitments, transitional housing, minimum unit standards and the removal of substandard accommodation are set out plainly. The underlying argument is hard to dispute: a city competing for global talent cannot weaken its case through inadequate or unaffordable housing. Acknowledging that openly is an important first step.

It is also worth noting how the Plan places these priorities within a broader emphasis on stability and predictability. Economic development and social order are presented as mutually reinforcing. In other words, stability itself is part of the offer. For firms making long-term decisions about regional operations, that framing carries weight.

The closing chapters recognise demographic pressures, fiscal constraints and the practical difficulty of delivering change at this scale. That realism is appropriate and, in many ways, more persuasive than optimism alone. The gap between a well-written plan and a well-executed one is where the real work lies.

Ultimately, the talent and livelihood chapters make a simple case. The strength of a city's fundamentals shapes the strength of its talent pool, and talent determines whether the rest of the Plan can be delivered. The insight is not new. Treating it as central rather than secondary, however, signals a degree of maturity.

Next week I will conclude this series with the Plan's final two themes: Hong Kong's regional and international connectivity, and the agenda on culture, green transition and resilience. If these chapters ask whether people will choose to stay, the final ones ask what they will be staying in and how it connects to the wider world.

Warm regards,
Mary Simpson, AustCham Hong Kong Chief Executive