

CE's speech in delivering "The Chief Executive's 2023 Policy Address" to LegCo (8)

VII. Work Together to Safeguard Harmony and Stability

111. The Government will coalesce the community in building a caring and inclusive society that is conducive to family development. We will also enhance the quality of healthcare services, and foster the development of the labour force.

112. We have reviewed the Population Policy Report published in 2015, taking into account the latest development. Hong Kong's current demographic structure and population trend remain largely in sync with the directions envisaged in the Report. Based on this, I have decided to introduce measures focusing on promoting childbirth and creating an environment conducive to childbearing, while also strengthening support for the elderly, including the development of the "silver economy".

Promote Fertility and Create a Childbearing Environment

113. Hong Kong's birth rate remains at its lowest level. The average parity of local couples dropped to a record low of 0.9 in 2022. Meanwhile, Hong Kong has among the longest life expectancies in the world – the proportion of elderly persons aged 65 and above will increase from 20% of Hong Kong's population to nearly one-third by the end of the next decade.

Support Families with Newborns

114. Childbearing is a major life decision involving many considerations. As experience and research worldwide make clear, government policies alone cannot boost fertility substantially. Nevertheless, it is imperative that the Government set a firm policy direction to encourage childbearing amid our persistently low birth rate. To that end, we will implement the following measures:

(i) Newborn Baby Bonus – We will provide a one-off cash bonus of \$20,000 for each baby born today or after in Hong Kong to a parent who is a HKPR. This measure will last for three years and will be reviewed then;

(ii) raise the accommodation-related tax deduction ceiling – Starting from the year of assessment 2024/25, we will raise the deduction ceiling for home loan interest or domestic rents from the current \$100,000 to \$120,000, an increase of 20%, for taxpayers who live with his/her first child born today or after until the child reaches the age of 18;

(iii) priority arrangement for SSFs – The HKHA will introduce the "Families with Newborns Flat Selection Priority Scheme" to raise the chances for families with newborns to purchase SSFs. Starting from the HOS sale

exercise next year, a quota of flats will be reserved for balloting and priority flat selection by family applicants with babies born today or after until the children reach the age of three. In each of the HOS or GSH sale exercise, an additional 10% of the total number of flats will be reserved for the purpose of selection priority; and

(iv) priority arrangement for PRH allocation—The HKHA will introduce the "Families with Newborns Allocation Priority Scheme" to advance the allocation of PRH flats for families with newborns. Under this scheme, applications of families that have babies born today or after will have their waiting time for PRH flats reduced by one year. This arrangement will take effect from next April.

Support Assisted Reproductive Services

115. Noting that some couples may need assisted reproductive technology to conceive a baby, the Government will enhance support in this regard. We will:

(i) Increase the public service quota for assisted reproductive services—Over the next five years from 2024-25 to 2028-29, the Hospital Authority (HA) will gradually increase the assisted reproductive service quota for in-vitro fertilisation (IVF) treatment by more than 60%, from 100 treatment cycles per year to 1 800 treatment cycles per year. The HA will also enhance the training for the related professional personnel; and

(ii) provide tax deduction for assisted reproductive services—Starting from the year of assessment 2024/25, the Government will provide a deduction for expenses on assisted reproductive services under salaries tax and personal assessment, subject to a ceiling of \$100,000 a year.

Assist Working Families in Childbearing

116. The Government will also strengthen support for working families in childbearing and unleash their labour force. We will:

(i) increase the Working Family Allowance—Starting from next April, the household and child allowances under the Working Family Allowance Scheme will increase by 15% to alleviate their burden;

(ii) increase child care centre places and allowances—Over the next three years starting from 2024, 10 more aided standalone child care centres (CCCs) will be set up in phases, providing about 900 additional places for day child care services. Starting from next April, the Child Care Centre Parent Subsidy, which is applicable to all government-aided standalone CCCs and CCCs attached to kindergartens, will be increased from a maximum of \$600 to \$1,000 per month. The Social Welfare Department (SWD) will also provide information and assistance to private organisations applying for registration to operate CCCs to encourage their provision of child care support for their employees;

(iii) extend the After-School Care Programme for Pre-primary Children to cover all districts—Over the next three years starting from 2024, the After-School Care Programme for Pre-primary Children will be extended in

phases to cover all districts in Hong Kong. The number of participating centres will be increased from 16 to 28, and the number of service places from about 670 to nearly 1,200; and

(iv) strengthen the home-based child care service. To encourage more people to participate in the Neighbourhood Support Child Care Project, starting from next April, the incentive payment at the standard rate of \$25 per hour for home-based child carers of the Project will be increased. For carers of infants and young children aged 0-3 or children with special learning needs, the rate will be more than doubled to \$60 per hour. For carers of children aged 3-9, the rate will be increased by 60%, to \$40 per hour. From the fourth quarter of next year, the number of service places under the Project will be doubled to about 2,000, with the estimated number of beneficiaries to be doubled to 20,000.

Promote Family Education

117. Nurturing children present new challenges for parents, including issues surrounding children's education and maintaining marital relationship. The Government will launch a five-year Funding Scheme on the Promotion of Family Education in the latter half of next year to support community projects promoting family education. The new Scheme will consolidate existing initiatives, with the annual amount of funding increased to \$8 million.

Caring for the Elderly

118. In the face of an ageing population, the Government formulates cross-sectoral policies and initiatives to cater for the needs of the elderly. Over the past year, the Government has strengthened support for ageing in place and lifted the quality and quantity of residential care homes for the elderly (RCHes). Examples include expanding the Integrated Discharge Support Programme for Elderly Patients, regularising the Pilot Scheme on Community Care Service Voucher for the Elderly, enhancing the Incentive Scheme to Encourage Provision of Residential Care Home for the Elderly Premises in New Private Developments, providing more residential care places for the elderly, importing care workers from outside Hong Kong, commencing the Review of Manpower for Healthcare Services in Residential Care Homes, etc. Considerable achievements have been made.

Elderly Services

119. The Government will continue to strengthen elderly services according to the principle of "ageing in place as the core, with institutional care as back-up". We will:

(i) provide more choices for cross-boundary elderly care. The Government earlier relaxed the eligibility of the Residential Care Services Scheme in Guangdong to allow Hong Kong private organisations with experience and a good track record in providing subsidised residential care services for the elderly to join the scheme. We will explore extending the scheme to include specific RCHes operated by Mainland organisations next year so that elderly persons retiring in the Mainland cities of the GBA will have more choices.

Based on the experience gained, we will also explore subsidising elderly recipients of the Comprehensive Social Security Assistance (CSSA) who opt to stay in RCHEs under the Residential Care Services Scheme in Guangdong to better support elderly persons who choose to retire in the GBA;

(ii) expand the Residential Care Service Voucher Scheme for the Elderly—Starting from the second quarter of next year, we will extend the coverage of the voucher from care-and-attention places to nursing home places, and provide 1,000 more vouchers, so that more eligible elderly persons can be admitted to participating RCHEs without waiting;

(iii) improve quality of life through technology—In 2024-25, the Government will inject an additional \$1 billion into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care to enhance the subsidies for eligible elderly and rehabilitation service units to procure, rent and trial technology products, such as ultra-low beds for medical and nursing care and intelligent anti-wandering systems, with a view to improving the quality of life of the elderly and persons with disabilities and reducing the pressure of carers;

(iv) promote elderly-friendly building design—The Deputy Financial Secretary will co-ordinate with the relevant bureaux to put forward proposals next year for incorporating universal design concepts (i.e. enabling use by the widest range of persons as far as possible) and accessibility (i.e. facilitating mobility) into the BD's building design manual; and

(v) inject funding into the lifelong learning fund for the elderly—In 2024-25, the Government will inject an additional \$80 million into the Elder Academy Development Foundation to encourage lifelong learning and integration into the community among the elderly.

Silver Economy

120. While elderly persons with care needs require our assistance, the majority of elderly persons are healthy and energetic. The growing elderly population is emerging as a main consumer group, creating considerable demand for such products and services as medical and healthcare, leisure and recreation, and home and personal care catered for the elderly. These products and services enhance the quality of life for the elderly and spur industry growth and business opportunities. To tap into the business potential of the "silver economy", the CEDB will establish an Advisory Panel on Silver Economy comprising experts of different fields to conduct an in-depth research and offer recommendations. The HKTDC will also incorporate "silver economy" elements into more exhibitions to enhance the promotion of relevant products and services.

(To be continued.)