

LCQ22: Initiatives to encourage childbearing

Following is a question by Professor the Hon Chow Man-kong and a written reply by the Deputy Chief Secretary for Administration, Mr Cheuk Wing-hing, in the Legislative Council today (December 18):

Question:

Since last year, the Government has been encouraging childbearing through the introduction of policies and initiatives such as the "Newborn Baby Bonus" ("the Bonus"), priority arrangements for subsidised sale flats and public rental housing, as well as supporting assisted reproductive services. There are views that the Government still needs to strengthen the relevant policy directions in order to reverse the persistently low fertility rate in Hong Kong. In this connection, will the Government inform this Council:

(1) of the number and percentage of applications submitted under the "Families with Newborns Flat Selection Priority Scheme" in the "Sale of Home Ownership Scheme Flats 2024";

(2) whether it will further introduce a combination of financial measures to encourage childbearing, i.e. apart from the Bonus, consider extending the arrangement for additional child allowance to the first three years of assessment following the birth of each child, introducing tax deduction on expenses for employing foreign domestic helpers, as well as subsidising the expenses for antenatal check-ups incurred by couples, so as to respond to the actual needs of different sectors of society (especially the middle class); if so, of the details; if not, the reasons for that; and

(3) given that in October this year, the General Office of the State Council issued a circular entitled "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society", and the relevant specific measures include (i) setting up a childbearing subsidy, implementing care services for infants and children under the age of three, implementing a special policy on additional deduction of individual income tax on children's education, and enhancing support for families with many children to purchase homes, (ii) providing welfare-based child care services, and organising and carrying out child care activities during the summer and winter holidays as well as after-school hours to proactively assist workers in shouldering the pressure of child-rearing, and (iii) creating a batch of high-quality movies and TV dramas, stage dramas as well as web-based cultural and art works, increasing the production of, among others, thematic programmes and public service advertisements, and encouraging and guiding the participation of communities, units and individuals to jointly create a reproduction-friendly social environment, whether the authorities will consider implementing the aforesaid measures and encourage private organisations to follow the relevant

arrangements, so as to create a more favourable environment for child-rearing; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong and many countries or places worldwide are facing a decline in fertility rate. In the face of this challenge, the Government must formulate measures to raise fertility rate. As such, the Chief Executive announced in his 2023 Policy Address a host of measures to promote fertility and create a conducive environment for childbearing through a " combination punches " approach. These measures include providing Newborn Baby Bonus, giving families with newborns priority on flat selection and allocation, enhancing child care support and increasing tax concessions. The implementation of the Newborn Baby Bonus is administrated by the Deputy Chief Secretary for Administration 's Office, while Bureaux involved in the implementation of other measures include the Housing Bureau, the Labour and Welfare Bureau, the Health Bureau, the Education Bureau, the Home and Youth Affairs Bureau and the Financial Services and the Treasury Bureau.

In consultation with the relevant Bureaux, the consolidated reply to the questions raised by Professor the Hon Chow Man-kong is as follows:

(1) The Hong Kong Housing Authority (HA) has implemented the Families with Newborns Flat Selection Priority Scheme (Priority Newborns Scheme) as scheduled, starting from 2024 under the Home Ownership Scheme (HOS) sale exercise as announced in the 2023 Policy Address. A quota of about 40 per cent of the new flats (i.e. 2 900 flats) under the Sale of HOS flats 2024 (HOS 2024) has been set aside for eligible applicants under the Priority Newborns Scheme and the Priority Scheme for Families with Elderly Members for balloting and priority flat selection. Family applicants of HOS with babies born on or after October 25, 2023 will be eligible if their children are aged three or below on the closing day of the application of HOS.

During the application period of HOS 2024, the HA received a total of around 106 000 applications, 50 000 of which were family applicants. Among these applications, around 16 000 and 3 000 applications came under the Priority Scheme for Families with Elderly Members and the Priority Newborns Scheme respectively, corresponding to about 30 per cent and 10 per cent of the total number of family applicants respectively.

In addition, regarding the allocation of public rental housing (PRH) flats, the HA has implemented the Families with Newborns Allocation Priority Scheme since April 1, 2024. PRH family applications with babies born on or after October 25, 2023 and aged one or below will have their waiting time deducted by one year. As at end-November 2024, about 3 000 eligible PRH family applications under the scheme have their waiting time reduced by one year, of which 170 families have already been successfully housed to PRH.

(2) The Government announced in the 2023 Policy Address that a cash reward of \$20,000 will be provided to eligible parents for each baby born from October

25, 2023, for a period of three years. Starting from October 25, 2023, parents can submit an application for the bonus at the same time when registering the birth of their baby and applying for a birth certificate. As of end-November 2024, a total of 32 811 qualified applications have been received, and the bonus has been distributed to 32 107 applicants, at a total amount of approximately \$640 million. We plan to conduct a review two years after the bonus is launched.

As regards tax concessions, starting from the year of assessment (YA) 2023/24, the basic child allowance and the additional child allowance for each child born during the year of assessment have been raised from \$120,000 to \$130,000. In addition, starting from YA 2024/25, for taxpayers who live with their children born on or after October 25, 2023 and meet the prescribed conditions, the deduction ceiling for home loan interest or domestic rents will be raised from \$100,000 to \$120,000 for a maximum of 19 YAs. These measures can encourage childbearing by helping to alleviate the financial burden of taxpayers from raising children.

In respect of the proposals to extend the claim period of additional child allowance and to introduce tax deduction for expenditure on hiring foreign domestic helpers, the Government must ensure that a balance is struck between promoting relevant policy objectives and exercising fiscal prudence, especially at a time when the Government's fiscal deficit is high. For the latter, the Government must also examine whether the proposal should apply to similar services (including the hire of local domestic helpers) and the possible implications. The Government has no plan to adopt the said proposals at this stage.

As regards the proposal of subsidising the expenses for antenatal check-ups incurred by couples, currently the Obstetrics and Gynaecology Departments of the Hospital Authority and the Maternal and Child Health Centres (MCHCs) of the Department of Health (DH) provide free antenatal services for all local pregnant women who are eligible persons (who generally refer to holders of Hong Kong Identity Cards or such other persons as may be approved by the Chief Executive of the Hospital Authority/ Director of Health) to ensure the health of the pregnant women and their fetuses. The scope of services includes the first antenatal check-up, personal and family medical history, as well as various investigations and vaccinations conducted by doctors according to the clinical needs of individual pregnant women. Generally speaking, pregnant women receive check-ups every four to six weeks before the 28th week of pregnancy, every two to four weeks between the 28th and 36th weeks of pregnancy, and every one to two weeks after the 36th week. The Obstetrics and Gynaecology departments of public hospitals will make appropriate arrangements according to the circumstances of individual pregnant women.

Besides, as announced in the 2024 Policy Address, the DH will revamp maternal and child health and family planning services to strengthen pre-pregnancy counselling and parental education and promote healthy fertility. The DH will provide the new pre-pregnancy health services to reproductive age group women at the MCHCs in phases, support women in preparing for pregnancy through health consultation and counselling, health assessments, arrangement

of blood tests and other investigations, and provide nutritional dietary and lifestyle advice, to align with the Government's policy of encouraging and promoting healthy fertility as well as protecting and advancing maternal and child health. In addition, the DH will review and adjust the scope of the subsidised family planning service currently provided by non-government organisations (NGOs), so as to dovetail with the Government's policy of encouraging and promoting healthy fertility. Details on the above initiatives will be announced at an appropriate juncture.

(3) The Hong Kong SAR Government (HKSARG) is implementing different family-friendly measures, which are in the same direction as the "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society" issued by the General Office of the State Council. Specific measures implemented by the HKSARG include:

(i) Strengthen the construction of childcare service system: the Government has been supporting parents who cannot take care of their young children temporarily through subsidising NGOs to provide a variety of day child care services, including Child Care Centre (CCC) services for children aged from birth to under 3, an After School Care Programme and a Neighbourhood Support Child Care Project (NSCCP). To strengthen support for working families in childbearing, the Government has announced the setting up of an addition of 11 aided standalone CCCs in phases, doubling the total number of service places to reach around 2 000. The Government is extending the After School Care Programme for Pre-primary Children to cover all districts in phases, and increasing the number of service places under NSCCP to 2 500 with the estimated number of beneficiaries increasing to 25 000. The Government also launched the School-based After School Care Service Scheme to provide focused support for students in need (particularly those from single-parent families) to stay in school after school hours for care and learning support, thereby allowing their parents to take up jobs. Over 110 primary schools covering 18 districts across the territory participated in the scheme in the 2024/25 school year, providing about 6 000 places. Subject to the actual utilisation and outcome of the scheme, we plan to encourage more schools to participate in the scheme in the 2025/26 school year, without imposing any quota; and

(ii) Strengthen the support measures for education: with the Kindergarten Education Scheme implemented since the 2017/18 school year by the Education Bureau, about 90 per cent of half-day kindergartens are currently free of charge, while the school fees for whole-day kindergartens are maintained at a low level. Families with financial needs may apply for fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS). Starting from the 2022/23 school year, the fee remission ceiling under the KCFRS has been raised from the 75th percentile in the past to the 100th percentile charged by respective half-day and whole-day kindergartens joining the Kindergarten Education Scheme. In other words, parents can receive full level of fee remission and need not pay any difference in school fees. Besides, the Education Bureau has regularised the provision of student grant starting from the 2020/21 school year. All students studying in secondary day-schools, primary schools and special schools as well as kindergartens will receive a

student grant of \$2,500 every school year to alleviate parents' burden in education expenses; and

(iii) Create a fertility-friendly social atmosphere: the Home and Youth Affairs Bureau has been supporting the work of the Family Council in promoting a culture of loving families, as well as encouraging the wider adoption of more diversified and flexible family-friendly employment practices (FFEPs) in the community. These measures will also help promote a childbearing-friendly environment. Since 2023/24, the Family Council has been launching promotional videos entitled "Family-friendly Workplace" featuring various FFEPs adopted by local companies/ organisations with sharing by employers and employees. The FFEPs presented include breastfeeding-friendly arrangements, allowing employees to bring their children to work during summer vacation, work-from-home arrangement and flexible work hours. The Family Council has also collaborated with Radio Television Hong Kong to produce radio programmes to promulgate different FFEPs. The Family Council will continue the relevant promotion work.

The HKSARG will continue to keep in view the implementation of various measures to promote fertility and will conduct reviews at an appropriate time.