

立法會
Legislative Council

LC Paper No. CB(3) 348/10-11

Ref : CB(3)/M/MM

Tel : 2869 9270

Date : 30 December 2010

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 5 January 2011

**Proposed amendments to motion on
“Urging the Government to take measures for ameliorating inflation and
alleviating people’s livelihood pressure”**

Further to LC Paper No. CB(3) 338/10-11 issued on 21 December 2010, four Members (Hon Frederick FUNG Kin-kee, Dr Hon PAN Pey-chyou, Hon Miriam LAU Kin-yee and Hon CHAN Kam-lam) have respectively given notice of their intention to move separate amendments to Hon WONG Sing-chi’s motion on “Urging the Government to take measures for ameliorating inflation and alleviating people’s livelihood pressure” scheduled for the Council meeting of 5 January 2011. As directed by the President, the respective proposed amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon WONG Sing-chi to speak and move his motion;
- (b) the President proposes the question on Hon WONG Sing-chi’s motion;
- (c) the President calls upon the four Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:

- (i) Hon Frederick FUNG;
 - (ii) Dr Hon PAN Pey-chyou;
 - (iii) Hon Miriam LAU; and
 - (iv) Hon CHAN Kam-lam;
- (d) the President calls upon the designated public officer(s) to speak;
- (e) the President invites other Members to speak;
- (f) the President gives leave to Hon WONG Sing-chi to speak for the second time on the amendments;
- (g) the President calls upon the designated public officer(s) again to speak;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the four Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon Frederick FUNG to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon Frederick FUNG's amendment;
- (i) after Hon Frederick FUNG's amendment has been voted upon, the President deals with the other three amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon WONG Sing-chi to reply. Thereafter, the President puts to vote the question on Hon WONG Sing-chi's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Ms Dora WAI)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Urging the Government to take measures for ameliorating inflation and
alleviating people’s livelihood pressure”
to be held at the Legislative Council meeting
of Wednesday, 5 January 2011**

1. Hon WONG Sing-chi’s original motion

That Hong Kong has seen rapid economic growth and the re-emergence of inflation since 2004, but the increases in wages of grass-root people have failed to catch up with increases in prices, resulting in the decline in their real wages and living standards; in the recent year or so, there has been an influx of outside capitals into Hong Kong and a substantial increase in property values, bringing significant rental increases, and further boosting inflation; moreover, in the recent month, the fees and charges of many public utility services have been adjusted and the rates of increases are higher than the inflation rate, and the livelihood of the grass-root people will be very difficult; in this connection, this Council urges the Government to implement measures to ameliorate inflation and alleviate pressure on people’s livelihood; the relevant measures should include:

- (a) to provide a subsidy of \$3,600 to each of the 2.5 million or so residential electricity accounts in Hong Kong; in order to encourage the public to reduce electricity consumption, to provide a subsidy of \$1,200 to members of the public whose electricity consumption in any half-year period is 5% or more less than that for the same period of the preceding year;
- (b) to pay two months’ rent for tenants living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society;
- (c) rates concession: to waive rates for the entire year of 2011-2012, subject to a ceiling of \$1,500 per quarter for each household;
- (d) to provide two additional months of payments for recipients of Old Age Allowance (i.e. ‘fruit grant’), Comprehensive Social Security Assistance and Disability Allowance;
- (e) to resume the Home Ownership Scheme and the Sale of Flats to Sitting Tenants Scheme;

- (f) salaries tax deduction: to increase the basic allowance according to the inflation rate from the present \$108,000 to \$113,000; to increase the married person's allowance according to the inflation rate from the present \$216,000 to \$226,000; to increase the child allowance from the present \$50,000 to \$60,000; and to increase the dependant parent allowance from the present \$30,000 to \$60,000;
- (g) to abolish the standard rate for salaries tax: it is proposed that the standard tax rate be abolished so that members of the public pay their salaries tax according to the marginal tax rate;
- (h) to provide members of the public with tax deductions for retirement protection savings: where members of the public purchase any retirement savings schemes the accrued benefits of which can only be claimed at the age of 65, or if they make any additional contributions to the Mandatory Provident Fund schemes, the contributions concerned may be deducted from the chargeable incomes for salaries tax, subject to a ceiling of \$20,000;
- (i) to increase the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000; and
- (j) to introduce anti-inflation retail bonds solely for sale to Hong Kong permanent residents and persons aged 65 or above have priority in buying such bonds, and the total value of such bonds should be about \$30 billion, with the face values of bonds ranging from \$50,000 to \$100,000 and the maturity periods ranging from two years to five years; the Government should distribute annual inflation-linked interests to the purchasers of such bonds, while the principals of the bonds should be entrusted to the Hong Kong Monetary Authority for investment; and the Government should develop the second bond market to facilitate bond redemption by members of the public.

2. Motion as amended by Hon Frederick FUNG Kin-kee

That *in the course of Hong Kong's economic development in the past, not only were the grass-root people generally unable to share the fruit of economic growth, but they were also battered by inflation, and* Hong Kong has seen rapid economic growth and the re-emergence of inflation since 2004, but the increases in wages of grass-root people have failed to catch up with increases in prices, resulting in the decline in their real wages and living standards; in the recent year or so, there has been an influx of outside capitals

into Hong Kong and a substantial increase in property values, bringing significant rental increases, and further boosting inflation; moreover, in the recent month, the fees and charges of many public utility services have been adjusted and the rates of increases are higher than the inflation rate, and the livelihood of the grass-root people will be very difficult; in this connection, this Council urges the Government to implement measures to ameliorate inflation and alleviate pressure on people's livelihood; the relevant measures should include:

- (a) to provide a subsidy of \$3,600 to each of the 2.5 million or so residential electricity accounts in Hong Kong; in order to encourage the public to reduce electricity consumption, to provide a subsidy of \$1,200 to members of the public whose electricity consumption in any half-year period is 5% or more less than that for the same period of the preceding year;
- (b) to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society, *including paying two months' basic rent for tenants required to pay additional rent*;
- (c) rates concession: to waive rates for the entire year of 2011-2012, subject to a ceiling of \$1,500 per quarter for each household;
- (d) to provide two additional months of payments for recipients of Old Age Allowance (i.e. 'fruit grant'), Comprehensive Social Security Assistance and Disability Allowance;
- (e) to resume the Home Ownership Scheme and the Sale of Flats to Sitting Tenants Scheme;
- (f) salaries tax deduction: to increase the basic allowance according to the inflation rate from the present \$108,000 to \$113,000; to increase the married person's allowance according to the inflation rate from the present \$216,000 to \$226,000; to increase the child allowance from the present \$50,000 to \$60,000; and to increase the dependant parent allowance from the present \$30,000 to \$60,000;
- (g) to abolish the standard rate for salaries tax: it is proposed that the standard tax rate be abolished so that members of the public pay their salaries tax according to the marginal tax rate;
- (h) to provide members of the public with tax deductions for retirement protection savings: where members of the public purchase any retirement savings schemes the accrued benefits of which can only be

claimed at the age of 65, or if they make any additional contributions to the Mandatory Provident Fund schemes, the contributions concerned may be deducted from the chargeable incomes for salaries tax, subject to a ceiling of \$20,000;

- (i) to increase the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000; ~~and~~
- (j) to introduce anti-inflation retail bonds solely for sale to Hong Kong permanent residents and persons aged 65 or above have priority in buying such bonds, and the total value of such bonds should be about \$30 billion, with the face values of bonds ranging from \$50,000 to \$100,000 and the maturity periods ranging from two years to five years; the Government should distribute annual inflation-linked interests to the purchasers of such bonds, while the principals of the bonds should be entrusted to the Hong Kong Monetary Authority for investment; and the Government should develop the second bond market to facilitate bond redemption by members of the public;
- (k) *to increase funding for food banks, and study relaxing the relevant eligibility requirements and time limits for assistance, and to expand the networks of services, etc.; and*
- (l) *for those grass-root people who cannot benefit from the aforesaid measures, the Government should provide them with rental subsidy; the authorities may consider adopting the Comprehensive Social Security Assistance rent allowance as the standard for providing two months of rental subsidy to all non-Comprehensive Social Security Assistance recipients who are currently living in private residential buildings and waiting for public rental housing allocation.*

Note: Hon Frederick FUNG Kin-kee's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Dr Hon PAN Pey-chyou

That, *as* Hong Kong has seen rapid economic growth and the re-emergence of inflation since 2004, but the increases in wages of grass-root people have failed to catch up with increases in prices, resulting in the decline in their real wages and living standards; in the recent year or so, there has been an influx of outside capitals into Hong Kong and a substantial increase in property values, bringing significant rental increases, and further boosting inflation; moreover, in the

recent month, the fees and charges of many public utility services have been adjusted and the rates of increases are higher than the inflation rate, and the livelihood of the grass-root people will be very difficult; in this connection, this Council urges the Government to implement measures to ameliorate inflation and alleviate pressure on people's livelihood; the relevant measures should include:

- (a) to provide a subsidy of \$3,600 to each of the 2.5 million or so residential electricity accounts in Hong Kong; in order to encourage the public to reduce electricity consumption, to provide a subsidy of \$1,200 to members of the public whose electricity consumption in any half-year period is 5% or more less than that for the same period of the preceding year;
- (b) to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society *using the same criteria as those of last year*;
- (c) rates concession: to waive rates for the entire year of 2011-2012, subject to a ceiling of \$1,500 per quarter for each household;
- (d) to provide two additional months of payments for recipients of Old Age Allowance (i.e. 'fruit grant'), Comprehensive Social Security Assistance and Disability Allowance;
- (e) to resume the Home Ownership Scheme and the Sale of Flats to Sitting Tenants Scheme, *and immediately commence planning for resuming the construction of an appropriate quantity of Home Ownership Scheme flats annually*;
- (f) *to expeditiously resume regular land auctions, so as to ensure an adequate supply of residential lands, so that the number of new residential units completed every year is able to meet the demand of users*;
- (g) *to consider lowering the rates of property tax or waiving the payment of provisional property tax for the following year, so that a greater number of property owners are willing to let their flats, thereby making it possible for residential rents to go down*;
- (h) *to review the operation of the Landlord and Tenant (Consolidation) (Amendment) Ordinance 2004, so as to strengthen the protection for tenants and prevent them from suffering rent increases every year under the Ordinance*;

- (f)(i) salaries tax deduction: to increase the basic allowance according to the inflation rate from the present \$108,000 to \$113,000; to increase the married person's allowance according to the inflation rate from the present \$216,000 to \$226,000; to increase the child allowance from the present \$50,000 to \$60,000; and to increase the dependant parent allowance from the present \$30,000 to \$60,000;
- (g)(j) to abolish the standard rate for salaries tax: it is proposed that the standard tax rate be abolished so that members of the public pay their salaries tax according to the marginal tax rate;
- (h)(k) to provide members of the public with tax deductions for retirement protection savings: where members of the public purchase any retirement savings schemes the accrued benefits of which can only be claimed at the age of 65, or if they make any additional contributions to the Mandatory Provident Fund schemes, the contributions concerned may be deducted from the chargeable incomes for salaries tax, subject to a ceiling of \$20,000;
- (i)(l) to increase the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000; ~~and~~
- (j)(m) to introduce anti-inflation retail bonds solely for sale to Hong Kong permanent residents and persons aged 65 or above have priority in buying such bonds, and the total value of such bonds should be about \$30 billion, with the face values of bonds ranging from \$50,000 to \$100,000 and the maturity periods ranging from two years to five years; the Government should distribute annual inflation-linked interests to the purchasers of such bonds, while the principals of the bonds should be entrusted to the Hong Kong Monetary Authority for investment; and the Government should develop the second bond market to facilitate bond redemption by members of the public;
- (n) *to increase the subsidy amount of Elderly Healthcare Vouchers to \$1,000 per person per year;*
- (o) *to freeze the various government fees and charges related to the livelihood of grass-root people, market rents and the rents of shops under the Government and the Hong Kong Housing Authority; and*
- (p) *to urge the Community Care Fund to provide appropriate assistance for those people who are unable to benefit from the aforesaid assistance measures but are in need of timely assistance, so that they can tide over their temporary difficulties.*

Note: Dr Hon PAN Pey-chyou's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon Miriam LAU Kin-yee

That *since the reunification, the local economy has undergone vicissitudes, causing hardship to people's livelihood; although* Hong Kong has seen rapid economic growth and the re-emergence of inflation since 2004, ~~but~~ the increases in wages of grass-root people have failed to catch up with increases in prices, resulting in the decline in their real wages and living standards; in the recent year or so, there has been an influx of outside capitals into Hong Kong and a substantial increase in property values, bringing significant rental increases, and further boosting inflation; moreover, in the recent month, the fees and charges of many public utility services have been adjusted and the rates of increases are higher than the inflation rate, and the livelihood of the grass-root people will be very difficult; in this connection, this Council urges the Government to implement measures to ameliorate inflation and alleviate pressure on people's livelihood; the relevant measures should include:

- (a) *to strengthen support for food banks and provide food vouchers for families or persons living in poverty, so as to alleviate the pressure of soaring food prices;*
- (b) *to distribute on a monthly basis an extra special Old Age Allowance (i.e. 'special fruit grant') to eligible elderly persons with tight living expenses;*
- (c) *to consider renaming 'low earnings Comprehensive Social Security Assistance' as 'Work Incentive Scheme', so as to remove the stigma effect, and extending the scheme to working-poor families not eligible for Comprehensive Social Security Assistance, so that they can receive a monthly living supplement of no more than \$2,500;*
- ~~(a)~~(d) to provide a subsidy of \$3,600 to each of the 2.5 million or so residential electricity accounts in Hong Kong; in order to encourage the public to reduce electricity consumption, to provide a subsidy of \$1,200 to members of the public whose electricity consumption in any half-year period is 5% or more less than that for the same period of the preceding year;

- (b)(e) to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society;
- (e)(f) rates concession: to waive rates for the entire year of 2011-2012, subject to a ceiling of \$1,500 per quarter for each household;
- (d)(g) to provide two additional months of payments for recipients of Old Age Allowance (i.e. 'fruit grant'), Comprehensive Social Security Assistance and Disability Allowance;
- (e)(h) to *expedite the implementation of the My Home Purchase Plan, and consider whether to resume the Home Ownership Scheme and the Sale of Flats to Sitting Tenants Scheme construct additional public rental housing flats, so as to shorten people's waiting time for public rental housing*;
- (f)(i) salaries tax deduction: to increase the basic allowance according to the inflation rate from the present \$108,000 to \$113,000; to increase the married person's allowance according to the inflation rate from the present \$216,000 to \$226,000; to increase the child allowance from the present \$50,000 to \$60,000; and to increase the dependant parent allowance from the present \$30,000 to \$60,000; *and to study how to adjust tax bands and marginal tax rates, so as to relieve the burden on those middle class people whose incomes are not so high*;
- (j) *with a view to encouraging the young generation to live close to their parents and elders to take care of them, to relax the restrictions on the dependent parent or dependent grandparent allowance by relaxing the eligible requirement from living in the same unit to living in the same housing estate*;
- ~~(g) to abolish the standard rate for salaries tax: it is proposed that the standard tax rate be abolished so that members of the public pay their salaries tax according to the marginal tax rate;~~
- (h)(k) to provide members of the public with tax deductions for retirement protection savings: where members of the public purchase any retirement savings schemes the accrued benefits of which can only be claimed at the age of 65, or if they make any additional contributions to the Mandatory Provident Fund schemes, the contributions concerned may be deducted from the chargeable incomes for salaries tax, subject to a ceiling of \$20,000;

- (i) to increase the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000; ~~and, and to increase the subsidy under the Continuing Education Fund by 100% to \$20,000 in one's lifetime;~~
- (m) to *appropriately* introduce anti-inflation retail bonds solely for sale to Hong Kong permanent residents and persons aged 65 or above have priority in buying such bonds, ~~and the total value of such bonds should be about \$30 billion, with the face values of bonds ranging from \$50,000 to \$100,000 and the maturity periods ranging from two years to five years;~~ the Government should distribute annual inflation-linked interests to the purchasers of such bonds, while the principals of the bonds should be entrusted to the Hong Kong Monetary Authority for investment; and the Government should develop the second bond market to facilitate bond redemption by members of the public; *and*
- (n) *to freeze government fees and charges, including freezing the rents for government wholesale markets and markets, and waiving hawker licence fees for at least one year.*

Note: Hon Miriam LAU Kin-ye's amendment is marked in *bold and italic type* or with deletion line.

5. Motion as amended by Hon CHAN Kam-lam

That Hong Kong has seen rapid economic growth and the re-emergence of inflation since 2004, but the increases in wages of grass-root people have failed to catch up with increases in prices, resulting in the decline in their real wages and living standards; in the recent year or so, there has been an influx of outside capitals into Hong Kong and a substantial increase in property values, bringing significant rental increases, and further boosting inflation; moreover, in the recent month, the fees and charges of many public utility services have been adjusted and the rates of increases are higher than the inflation rate, and the livelihood of the grass-root people will be very difficult; in this connection, this Council urges the Government to implement measures to ameliorate inflation and alleviate pressure on people's livelihood; the relevant measures should include:

- (a) *to set up a \$30 billion public transport fare stabilization fund to alleviate the pressure of public transport fare increases on people;*
- (b) *to strengthen the Food Assistance Service Projects, so as to benefit a greater number of needy persons;*

- (c) *to continue to freeze those government fees and charges directly affecting people's livelihood, as well as the rents of stalls in the markets under the Food and Environmental Hygiene Department and the Hong Kong Housing Authority;*
- (d) *to provide short-term rental assistance for those households on the Waiting List who can meet the income and asset requirements for public rental housing but fall outside the coverage of the existing Comprehensive Social Security Assistance rent allowance;*
- (e) *to set up a short-term unemployment supplement for providing assistance for those low-income persons who become unemployed due to the implementation of the minimum wage system;*
- (a)(f) to provide a subsidy of \$3,600 to each of the 2.5 million or so residential electricity accounts in Hong Kong; in order to encourage the public to reduce electricity consumption, to provide a subsidy of \$1,200 to members of the public whose electricity consumption in any half-year period is 5% or more less than that for the same period of the preceding year;
- (b)(g) to pay two months' rent for tenants living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society;
- (e)(h) rates concession: to waive rates for the entire year of 2011-2012, subject to a ceiling of ~~\$1,500~~ **\$3,000** per quarter for each household;
- (d)(i) to provide two additional months of payments for recipients of Old Age Allowance (i.e. 'fruit grant'), Comprehensive Social Security Assistance and Disability Allowance;
- (e)(j) to *increase land supply and* resume the Home Ownership Scheme and the Sale of Flats to Sitting Tenants Scheme, *so as to increase the supply of small and medium flats, meet people's demand for home ownership, balance supply and demand in the property market, and alleviate the upward pressure of property prices and rents;*
- (f)(k) salaries tax deduction: to increase the basic allowance according to the inflation rate from the present \$108,000 to \$113,000; to increase the married person's allowance according to the inflation rate from the present \$216,000 to \$226,000; to increase the child allowance from the present \$50,000 to \$60,000; and to increase the dependant parent allowance from the present \$30,000 to \$60,000;

- (g)(l) to ~~abolish~~ ***comprehensively review the salaries tax regime, including studying the abolition of*** the standard rate for salaries tax: ~~it is proposed that the standard tax rate be abolished,~~ so that members of the public pay their salaries tax according to the marginal tax rate;
- (h)(m) to provide members of the public with tax deductions for retirement protection savings: where members of the public purchase any retirement savings schemes the accrued benefits of which can only be claimed at the age of 65, or if they make any additional contributions to the Mandatory Provident Fund schemes, the contributions concerned may be deducted from the chargeable incomes for salaries tax, subject to a ceiling of \$20,000;
- (i)(n) to increase the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000; ~~and~~
- (j)(o) to introduce anti-inflation retail bonds solely for sale to Hong Kong permanent residents and persons aged 65 or above have priority in buying such bonds, and the total value of such bonds should be about \$30 billion, with the face values of bonds ranging from \$50,000 to \$100,000 and the maturity periods ranging from two years to five years; the Government should distribute annual inflation-linked interests to the purchasers of such bonds, while the principals of the bonds should be entrusted to the Hong Kong Monetary Authority for investment; and the Government should develop the second bond market to facilitate bond redemption by members of the public; ***and***
- (p) ***to extend the entitlement period for home loan interest deduction from 10 years to 15 years.***

Note: Hon CHAN Kam-lam's amendment is marked in ***bold and italic type*** or with deletion line.