

**The Legislative Council Meeting on 7 December 2011**  
**Motion on “Reforming governance philosophy, resolving deep-rooted  
conflicts in society and alleviating the disparity between the rich and  
the poor”**

**Progress Report**

At the Legislative Council meeting held on 7 December 2011, the motion on “Reforming governance philosophy, resolving deep-rooted conflicts in society and alleviating the disparity between the rich and the poor” moved by Hon Frederick FUNG was carried. The wording of the motion is at Annex. This is a progress report on the Administration’s work in poverty alleviation.

Statutory Minimum Wage (SMW)

2. SMW is a significant policy for protecting our grassroots workforce. It has brought about substantial improvement to the employment earnings of low-income workers. The latest figures in November 2011 – January 2012 showed that the average employment earnings of the lowest decile full-time employees registered a year-on-year hike of 11.8%, which was much higher than the overall average increase of 6.2%. The post-implementation wage distribution data was published on 22 March 2012. The Minimum Wage Commission will conduct comprehensive studies and analyses based on the wage distribution data and results of other surveys, and will fully take into account the views of various stakeholders so as to review the SMW rate.

Social security system

3. The Social Welfare Department (SWD) raised the standard payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme and the rates of Old Age Allowance (OAA) and Disability Allowance (DA) under the Social Security Allowance Scheme by 5.2%, and the maximum levels of the CSSA rent allowance by 5.7%, with effect from 1 February 2012 in accordance with the established mechanism.

4. In his 2012-13 Budget, the Financial Secretary proposed to

provide an extra payment to recipients of social security so as to ease the pressure of the economic downturn on our community. The payment will be equal to one month of the CSSA standard rates, OAA or DA. This proposal will involve an additional expenditure of about \$2.1 billion. We estimate that about 1.1 million people (including about 440 000, 520 000 and 140 000 recipients of CSSA, OAA and DA respectively) will benefit.

### Manpower training

5. The Labour Department (LD) set up a pioneer “Employment in One-stop” service centre in Tin Shui Wai in end-2011 to streamline, integrate and enhance the existing employment, training, and retraining services provided by LD, SWD and the Employees Retraining Board. In addition to general employment facilities and services, the “Employment in One-stop” provides case management and employment support services, rendered by registered social workers, to those job seekers with special employment difficulties, so as to help them find work effectively. LD will closely monitor the operation of the centre and review its effectiveness after two years.

### Investing in education

6. Government’s policy on kindergarten (KG) education is premised on two fundamental considerations, viz. to make KG education affordable and to induce quality enhancement. The Pre-primary Education Voucher Scheme (PEVS) introduced with effect from the 2007-08 school year helps achieve these two objectives. Pursuant to the Education Commission’s Working Group Report on Review of the PEVS submitted to the Administration in December 2010, the Education Bureau has implemented various improvement measures. Apart from enhancing the support for needy families, it has also proposed mechanisms for adjusting the voucher values and tuition fee caps periodically. The Administration is aware of the calls for making KG education free, similar to the arrangements for the primary and secondary school sectors. Notwithstanding the many structural and systemic issues involved (such as hardware, distribution of school places among districts, implications for an equitable allocation system, etc.), the Education Bureau will continue to communicate with the stakeholders and different sectors, and examine the various implications, with a view to sustaining the development of quality pre-primary education.

## Child Development Fund (CDF)

7. Rolled out in November 2011, the 18 third-batch CDF projects came into full operation in early 2012. Since the establishment of CDF in 2008, 40 projects have been rolled out, benefitting more than 4 400 children including the ethnic minorities, those with disabilities or living in cubicle apartments. The seven pioneer projects in the first batch will conclude this month. Taking into account the practical experiences in implementing the projects and the evaluation results and recommendations of the consultant, the Labour and Welfare Bureau will consider the long term model of the CDF.

## Healthcare services

8. In view of the increasing demand for healthcare services arising from the growing and ageing population of Hong Kong and the rapid development of medical technology, the Administration has been increasing the recurrent expenditure on healthcare since 2006-07. In 2012-13, the recurrent expenditure on healthcare is estimated at \$44.7 billion, representing a 7.5% increase over the 2011-12 revised estimate. Meanwhile, the Elderly Health Care Voucher Pilot Scheme was extended for three years starting from January 2012, and the annual voucher amount per elderly was increased from \$250 to \$500.

9. In the long term, the Government will, for the 2012-13 to 2014-15 triennium, increase the number of first-year first degree places in medicine by 100 to 420 each year, nursing by 40 to 630 each year, and allied health professions by nearly 150 to cope with the increase in service demand and the development of medical services. In addition, the Administration has already set up a high-level steering committee to conduct a strategic review on healthcare manpower planning and professional development in Hong Kong. Having regard to the findings of the review, the committee will put forward recommendations on how to cope with the anticipated demand for healthcare manpower, strengthen professional training and facilitate professional development, with a view to ensuring the healthy and sustainable development of Hong Kong's healthcare system.

## Community Care Fund

10. Since its establishment, the Community Care Fund has launched over ten assistance programmes for children, the elderly, persons with disabilities, patients, new arrivals, ethnic minorities, etc.

These programmes are expected to benefit several hundred thousands of people at an estimated full-year expenditure of around \$950 million.

Labour and Welfare Bureau  
Education Bureau  
Food and Health Bureau  
Home Affairs Bureau

March 2012

(Translation)

**Motion on**  
**“Reforming governance philosophy, resolving deep-rooted conflicts**  
**in society and alleviating the disparity between the rich and the poor”**  
**moved by Hon Frederick FUNG**  
**at the Council meeting of 7 December 2011**

**Wording of the Motion**

That, given that the worsening of deep-rooted conflicts in society, the persistently low popularity of the Government and the numerous blunders in policy implementation all highlight that the existing political system and even social and economic policies, etc. lag far behind the prevailing circumstances, and there is a huge gap between the authorities’ governance philosophy and people’s expectations; and as a change of government is approaching and the Chief Executive Election is near, this Council urges all social sectors to abandon partisan or political biases, explore in depth and rationally the success, failure, gains and losses of past government policy implementation, reposition the roles and functions of the new government in the future, reform governance philosophy, establish a set of principles of development for all people that give consideration to all social strata, formulate comprehensive and fair social and economic policies, and set up a democratic and open political system, with a view to completely resolving deep-rooted conflicts in society, alleviating the disparity between the rich and the poor, and building a truly stable, harmonious and just society.