

For information
on 12 October 2007

**LEGISLATIVE COUNCIL
HOUSE COMMITTEE**

**Population Policy –
Optimising Our Demographic Structure and Attracting Talent**

Purpose

This paper briefs Members on the priority areas being pursued in the context of the population policy as laid down in the Chief Executive's Policy Address.

Background

2. Advanced economies around the world face the common problem of an ageing population. Hong Kong is no exception. While the birth rate in Hong Kong is among the world's lowest, our people's life expectancy is one of the world's longest. As the generation born in the post-war "baby boom" is entering old age, the proportion of the old-aged population in Hong Kong will continue to rise over the next two decades. An ageing population will have a far-reaching impact on the economy, healthcare, welfare, retirement protection, education and public finance. We need to prepare for this challenge with early planning.

The Objective of Population Policy

3. The objective of Hong Kong's population policy is to optimize our demographic structure by securing and nurturing a quality population that supports and sustains Hong Kong's development as a knowledge-based economy and world-class city.

Priority Areas

4. The Chief Executive has just announced in his Policy Address that the Administration will focus its efforts initially on four priority areas with a view to optimizing our demographic structure and attracting talent. These priority areas are:

- (a) raising the quality of our education through developing our education on all fronts and taking forward education reform;
- (b) developing Hong Kong as a regional education hub to attract more outstanding students to study in Hong Kong;
- (c) attracting talent to Hong Kong so as to maintain our competitiveness; and
- (d) adopting a full range of health care reform initiatives, including introducing supplementary financing, to maximize medical benefits and promote the good health of the community.

The detailed measures to be implemented under each of the four priority areas are described in the paragraphs below.

Raising the quality of our education

5. We need to keep our education system in line with the present-day circumstances so as to nurture individuals' potential and upgrade the quality of human resources of our community. To this end, we have put in place a multifarious education system which encompasses diversified curricula to offer more choices to our students and facilitate their whole-person development, and quality teaching methods to cater for different learning needs. The Administration will continue to build on our current strengths to improve the strategy and infrastructure for the provision of quality education.

6. With effect from the 2008-09 school year, we will provide free senior secondary education for all students in public sector schools. We will also provide full subvention for full-time courses offered by the Vocational Training Council for Secondary 3 school leavers. This will provide senior secondary students with the avenue to pursue, free of charge, an alternative pathway outside mainstream education. Besides, the Administration is committed to enhancing the quality of our primary education. We will implement small class teaching having regard to prevailing circumstances, starting from Primary 1 in public sector schools from the 2009-10 school year and extending to higher levels progressively

up to Primary 6 in the 2014-15 school year. In addition, we will create the Deputy Head rank in public sector primary schools as early as possible so as to assist the principals in leading the schools and better coordinating the various tasks, with a view to enhancing the quality of primary school education. To raise the status and professional standards of teachers and hence the overall quality of education, we will increase the overall ratios of graduate teacher posts in public sector primary and secondary schools to 50% and 85% respectively by two phases, starting from the 2008/09 school year.

Developing Hong Kong as a regional education hub

7. Our policy aims to attract quality non-local students to study in Hong Kong and, through this process, further internationalise our higher education sector and increase the exposure of our local students. Attracting non-local talents to live and work in Hong Kong will also address the immediate manpower needs of Hong Kong, and enhance the overall competitiveness of our economy in the long run.

8. The Administration will implement a package of measures which facilitates the further development of Hong Kong into a regional education hub. These measures include increasing the non-local student quota for publicly-funded programmes; allowing admission of non-local students for short-term studies at our higher education institutions; establishing a \$1 billion scholarship endowment fund; allowing non-local students to take up part-time work, internships and summer jobs; and facilitating non-local graduates to stay and contribute to Hong Kong.

9. It is important for us to develop a vibrant international school sector to underpin our aspiration to be a global metropolis and fortify our status as a regional education hub. We will make available a number of greenfield sites at nominal premium for the development of new international schools or the expansion of existing schools with interest-free capital works assistance loans. We will study the feasibility of allowing the international school sector to develop hostel facilities on a trial basis, with a view to attracting students from different parts of the world.

Attracting talent to Hong Kong

10. The Government strongly believes that a larger pool of talents will increase Hong Kong's competitiveness, make it more prosperous, attract more capital and create more jobs. To support the policy on attracting talent,

complementary immigration measures have been put in place to provide admission channels for talent and professionals. Since the reunification, about 200 000 talent/professionals have come to Hong Kong to work/reside through various admission schemes.

11. The Government reviews the relevant schemes from time to time to ensure that they meet the changing needs of our society. For instance, the Government is reviewing the Quality Migrant Admission Scheme in the light of experience in implementing the scheme as well as feedback from the community. The ultimate objective is to cast the net wider for quality migrants. The Government aims to complete the review in early 2008.

12. The Government is in parallel stepping up the publicity of various admission schemes and streamlining their application procedures. In this connection, the Government will work in partnership with such relevant organizations as the Advisory Committee on Admission of Quality Migrants and Professionals, the Government's Economic and Trade Offices (overseas and Mainland), the Trade Development Council and the Tourism Board.

Health care reform and financing

13. The Health and Medical Development Advisory Committee (HMDAC) outlined broad directions on health care reform in the consultation document Building A Healthy Tomorrow in 2005. These included strengthening primary care in Hong Kong especially the family doctor approach and preventive care, redressing the imbalance between the public and private sectors, and the development of a territory-wide electronic health record information system. These directions were supported by the public and health care professionals and the HMDAC has given in-depth consideration to how best to develop them. The HMDAC has also formed a Working Group on Health Care Financing to carry out research and analysis on health care financing problems and options. The Working Group recommended that Government funding should continue to be the primary source of health care financing, but supplementary financing arrangements would be necessary to sustain the health care system in meeting the challenges of an ageing population and rising medical costs due to advancement in medical technology. A number of options for the supplementary financing arrangements including medical savings and medical insurance have been analyzed. The HMDAC and its Working Group on Health Care Financing have also taken into consideration the need for the financing arrangements to complement the service reform proposals and to create incentives for stakeholders to follow the directions

of the reforms. We are finalizing the recommendations on how to take forward the reforms and on the supplementary financing arrangements. We will publish our recommendations in a public consultation paper in late November / early December to initiate public consultations.

Other Areas Requiring Further Study

14. To develop a population policy that would fit Hong Kong's long-term social and economic development, complement family requirements and address the interests of different sectors in the community, a Task Force on Population Policy was set up in September 2002. In its report published in February 2003, the Task Force came up with 33 recommendations in respect of matters such as training for new arrivals, education and manpower development, attracting talents and quality migrants, foreign domestic helpers, elderly policy, and the eligibility for and the portability of public benefits. Many of the recommendations have been implemented or adopted as on-going measures by the relevant bureaux and departments.

15. The review on our population policy is a continuously evolving process. Given the latest Hong Kong Population Projections for the next 30 years and the recommendations put forward by the Council for Sustainable Development in its Report on the Public Engagement Process on Population Policy published recently, we have conducted a review on our population policy and identified other areas apart from the four priority areas named above which require further study. These areas include encouraging parenthood, promoting active and healthy ageing, upgrading and nurturing our manpower resources, more efficient and effective delivery of our welfare services, and improving the quality of life.

Steering Committee on Population Policy

16. As a number of population policy issues cut across different policy areas, the implementation of measures to address these issues require overall planning and coordination to achieve the optimal policy outcomes. In order to better plan and coordinate efforts on population policy, a Steering Committee on Population Policy has been established with the Chief Secretary for Administration as chairman, and comprising the Financial Secretary, Secretary for Education, Secretary for Security, Secretary for Food and Health, Secretary for Home Affairs, Secretary for Labour and Welfare, Secretary for Financial Services and the

Treasury and directorates of the Departments concerned as core members. The Steering Committee will identify the main social and economic challenges to Hong Kong having regard to the changes to the local population profile in the next 30 years, and follow up on the areas that require further study. It will develop strategies and practical measures for pursuing the objectives of Hong Kong's population policy.

Administration Wing
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October 2007