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Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 23 January 2013

**Amendments to motion on
“Assisting the middle class”**

Further to LC Paper No. CB(3) 288/12-13 issued on 10 January 2013, nine Members (Hon KWOK Wai-keung, Dr Hon KWOK Ka-ki, Hon Kenneth LEUNG, Dr Hon Fernando CHEUNG, Hon SIN Chung-kai, Hon Frankie YICK, Hon Charles Peter MOK, Hon NG Leung-sing and Dr Hon Priscilla LEUNG) have respectively given notices of their intention to move separate amendments to Dr Hon Elizabeth QUAT’s motion on “Assisting the middle class” scheduled for the Council meeting of 23 January 2013. As directed by the President, the respective 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 Dr Hon Elizabeth QUAT to speak and move her motion;
- (b) the President proposes the question on Dr Hon Elizabeth QUAT’s motion;
- (c) the President calls upon the nine Members who intend to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon KWOK Wai-keung;
 - (ii) Dr Hon KWOK Ka-ki;

- (iii) Hon Kenneth LEUNG;
 - (iv) Dr Hon Fernando CHEUNG;
 - (v) Hon SIN Chung-kai;
 - (vi) Hon Frankie YICK;
 - (vii) Hon Charles Peter MOK;
 - (viii) Hon NG Leung-sing; and
 - (ix) Dr Hon Priscilla LEUNG;
- (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 Dr Hon Elizabeth QUAT to speak for the second time on the amendments;
 - (g) the President calls upon the designated public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the nine Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon KWOK Wai-keung to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon KWOK Wai-keung's amendment;
 - (i) after Hon KWOK Wai-keung's amendment has been voted upon, the President deals with the other eight amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Dr Hon Elizabeth QUAT to reply. Thereafter, the President puts to vote the question on Dr Hon Elizabeth QUAT's motion, or her 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**.

(Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Assisting the middle class”
to be held at the Council meeting of 23 January 2013**

1. Dr Hon Elizabeth QUAT’s original motion

That the middle-class people in Hong Kong have all along ‘paid large amounts of tax but enjoyed few welfare benefits’, which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people.

2. Motion as amended by Hon KWOK Wai-keung

That *for a long time*, the middle-class people in Hong Kong have all along ‘paid large amounts of tax but enjoyed few welfare benefits’, which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to *develop Hong Kong into a ‘livable city’, and* put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, *living environment*, education and further studies, as well as personal career development, ~~so that~~ *including sparing no effort to promote the enactment of legislation on standard working hours and formulating measures for universal retirement protection in Hong Kong, so as to create a quality working and living environment, and enable* public policies ~~can~~ to better cater for the interests and aspirations of the middle-class people.

Note: Hon KWOK Wai-keung’s amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Dr Hon KWOK Ka-ki

That, *as* the middle-class people in Hong Kong have all along ‘paid large amounts of tax but enjoyed few welfare benefits’, which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; ~~in this connection~~, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, *arts, recreation and sports*, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people; *the relevant measures should include:*

Taxation -

- (1) *to expeditiously review the maximum property price for stamp duty concession by changing it from the existing \$2,000,000 to \$3,000,000 to alleviate the home acquisition burden of the middle-class people;*
- (2) *to introduce a new ‘tax allowance for renting private residential units’ to enable middle-class people who have no self-owned properties but rent private residential units to enjoy tax concessions, subject to a ceiling of \$36,000;*
- (3) *to increase the Personal Allowance under Salaries Tax to \$126,000, and increase the Married Person’s Allowance to \$300,000;*
- (4) *to increase the Child allowance (the first to ninth child) to \$70,000, and increase the tax allowance for a newborn baby to \$70,000 in the relevant year of assessment;*

Housing -

- (5) *to expeditiously construct Home Ownership Scheme (‘HOS’) flats and provide at least 10 000 HOS flats each year, so as to reconstruct the home acquisition ladder for the middle-class people;*
- (6) *to immediately construct subsidized housing on idle Government land lots to increase the housing supply, thereby alleviating the home acquisition burden of the middle-class people;*

Healthcare -

- (7) to step up the regulation of private hospitals, and prevent private hospitals from degenerating into profit-making organizations, so as to alleviate the financial burden of the middle-class people arising from seeking medical treatment at private hospitals;***
- (8) to allocate more resources to resolve the problem of unduly long waiting time for specialist services at public hospitals, so as to enable the middle-class people to receive comprehensive healthcare protection;***

Transport -

- (9) to review the existing mechanisms for setting public transport fares, so as to reduce the transport expenses of the middle-class people;***

Family-friendly policies -

- (10) to expeditiously set standard working hours to enhance the quality of life of the middle-class people, and implement family-friendly policies to enable employees to discharge work and family obligations at the same time;***

Education and further studies -

- (11) to comprehensively review the existing student financial assistance system; raise the asset limits, lower the loan interest rates and extend the repayment periods of the Tertiary Student Finance Scheme - Publicly-funded Programmes; at the same time, lower the loan interest rates and extend the repayment periods of the Non-means Tested Loan Scheme, so as to alleviate the tuition fee burden of children of the middle-class families;***
- (12) to comprehensively subsidize sub-degree programmes and review the articulation support for sub-degree programmes, and step up the regulation of self-financing post-secondary institutions, so as to increase their programme quality and recognition, and enable children of middle-class families to have more opportunities to receive tertiary education;***
- (13) to review the Direct Subsidy Scheme ('DSS') policy on secondary schools and step up the regulation of DSS secondary schools, so as to maintain the tuition fees of DSS secondary schools at a reasonable level and alleviate the financial burden of middle-class families;***

Arts, recreation and sports -

- (14) *to rent out idle Government properties to arts organizations and offer rental concessions, so as to encourage the middle-class people to participate in cultural and artistic creation;*
- (15) *to build additional libraries, community centres, indoor stadiums, swimming pools and sports grounds, etc., in various districts to increase the opportunities of the middle-class people to participate in arts, recreation and sports activities; and*

Personal development -

- (16) *to provide low-interest loans and rental concessions to middle-class people intending to start up businesses in creative media, cultural industries and high-tech industries.*

Note: Dr Hon KWOK Ka-ki's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon Kenneth LEUNG

That *the values of the middle class lie in autonomy, self-reliance and having the freedom to make choices*; the middle-class people in Hong Kong have all along 'paid large amounts of tax but enjoyed few welfare benefits', which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, *reproduction*, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people; *at the same time, the Government must perfect the market monitoring mechanism and reconstruct a bona fide free market; and maintain the autonomy and vitality of the middle class through the positive forces of the free market.*

Note: Hon Kenneth LEUNG's amendment is marked in *bold and italic type*.

5. Motion as amended by Dr Hon Fernando CHEUNG

That, *given the collusion between the Government and the business sector, consortium monopoly and privatization of public services*, the middle-class people in Hong Kong, *compared with large consortia*, have all along ‘paid large amounts of tax but enjoyed few welfare benefits’, which, coupled with rampant inflation *caused by public utilities’ incessant fee increases for the sole pursuit of private interests without regard to social responsibility, and the Government’s connivance of consortium monopoly*, persistently high property prices *under ‘developer hegemony’* and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, *including breaking monopoly, halting privatization of public services, implementing a democratic political system, increasing public expenditure, and conducting studies and formulating proposals on the provision of retirement, disability, death and unemployment protection in the form of social insurance*, so that public policies can better cater for the interests and aspirations of the middle-class people.

Note: Dr Hon Fernando CHEUNG’s amendment is marked in *bold and italic type*.

6. Motion as amended by Hon SIN Chung-kai

That, *as* the middle-class people in Hong Kong have all along ‘paid large amounts of tax but enjoyed few welfare benefits’, which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; ~~in this connection~~, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people; *the relevant measures should include:*

- (1) *to increase the Child Allowance from the existing \$63,000 per child to \$100,000, and raise the basic allowance under Salaries Tax and Personal Assessment;*
- (2) *to introduce ‘tax deduction for residential rentals’ for a duration of 15 years of assessment, subject to a deduction ceiling of \$100,000 per year;*

- (3) *to abolish the levy on employers of foreign domestic helpers;*
- (4) *to provide adequate supply of land and increase the subsidized housing production, so as to maintain the annual supply of public and private residential housing at no less than 50 000 units;*
- (5) *having regard to the burden arising from population ageing and medical inflation, to allocate additional resources to improve public healthcare services, and provide tax concessions to people taking out medical insurance, so as to alleviate middle-class people's burden of healthcare expenses;*
- (6) *to introduce daily, weekly and monthly tickets applicable to all MTR rail lines;*
- (7) *to formulate family-friendly policies, enact legislation on paid paternity leave for employees, and increase child care and elderly care services, so as to assist family carers;*
- (8) *to immediately implement 15-year free education covering kindergartens, primary schools and secondary schools; and*
- (9) *to offer \$40,000 'tax deduction for children's tertiary education' to the parents of students enrolled in local and non-local full-time post-secondary programmes.*

Note: Hon SIN Chung-kai's amendment is marked in *bold and italic type* or with deletion line.

7. Motion as amended by Hon Frankie YICK

That, *as* the middle-class people in Hong Kong have all along 'paid large amounts of tax but enjoyed few welfare benefits', which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; ~~in this connection~~, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people; *the relevant measures should include:*

- (1) *to establish a middle class commission to comprehensively review the policies and measures relating to the middle class, and put forward*

concrete and comprehensive corresponding strategies in a focused manner to assist middle-class families;

- (2) to increase the supply of residential and commercial land to ease property prices and launch more small and medium residential 'flats with limited floor area' to assist middle-class families in acquiring their homes, and at the same time, increase the supply of shops and offices to assist the start-up of businesses;*
- (3) to introduce a tax allowance for rentals for middle-class people who have no properties but rent private residential units;*
- (4) to extend the entitlement period for deduction for home loan interest to the end of mortgage repayment periods;*
- (5) to extend the lowest stamp duty of \$100 to cover starter homes which are worth \$3,000,000 or below, subject to the condition that this measure is applicable to first-time home buyers only;*
- (6) to widen the tax bands for the Salaries Tax and lower the marginal rate, so as to reduce the Salaries Tax and alleviate the burden of marginal middle-class people;*
- (7) to relax the restrictions on the dependent parent or dependent grandparent tax deduction by relaxing the eligibility requirement from living in the same unit to living in the same housing estate;*
- (8) to introduce tax deduction for medical insurance contributions, and at the same time, provide tax deduction for medical examinations, so as to encourage people to undergo such examinations regularly;*
- (9) to introduce a tax allowance for children's education to alleviate families' burden arising from children's education expenses;*
- (10) to expeditiously implement 15-year free education, and before its implementation, completely abolish the restrictions on kindergarten vouchers;*
- (11) to introduce an elderly care voucher of \$5,000 per month for elderly people to choose residential and elderly services, so as to alleviate middle-class families' burden arising from supporting elderly family members;*

- (12) *to substantially increase the salaries tax deduction for self-education expenses and the subsidy under the Continuing Education Fund to motivate people to proactively enhance their personal competitiveness;*
- (13) *to adopt a multi-pronged approach to promote diversified development of industries in Hong Kong, so as to create more jobs at the middle and senior levels as well as business start-up opportunities in various industries and professions; and*
- (14) *to further strengthen regional economic development to form an economic development circle with different regions on the Mainland, etc., so as to provide more and better career development opportunities for middle-class professionals.*

Note: Hon Frankie YICK's amendment is marked in *bold and italic type* or with deletion line.

8. Motion as amended by Hon Charles Peter MOK

That the middle-class people in Hong Kong have all along 'paid large amounts of tax but enjoyed few welfare benefits', which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; *the middle-class people understand that in respect of people's livelihood, the Government must formulate long-term policies on economic development and industrial support so as to create quality employment opportunities*; in this connection, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, *overall economic transformation in society*, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people, *and build a livable Hong Kong; the relevant measures should include:*

- (1) *to expeditiously implement 15-year free education, and take measures to upgrade the quality of early childhood education;*
- (2) *to increase university places to provide middle-class students with more opportunities for further studies;*
- (3) *to review the cap on the amount of reimbursable course fees and the number of reimbursement claims under the Continuing Education Fund ('CEF'), and the criteria for approving reimbursable courses under CEF;*

- (4) *to perfect the Non-means Tested Loan Scheme, including commencing the computation of loan interests after borrowers' graduation and lowering the loan interests; and*
- (5) *to inject capital to re-activate the Small and Medium Enterprises Training Fund, so as to enable more middle-class people in employment to have training opportunities.*

Note: Hon Charles Peter MOK's amendment is marked in *bold and italic type*.

9. Motion as amended by Hon NG Leung-sing

That the middle-class people in Hong Kong have all along 'paid large amounts of tax but enjoyed few welfare benefits', which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to *strive to develop the economy, upgrade the levels of industries and broaden the spectrum of industries, with a view to providing sufficient quality employment opportunities, and to* put forward proactive measures focusing on areas such as taxation, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people.

Note: Hon NG Leung-sing's amendment is marked in *bold and italic type*.

10. Motion as amended by Dr Hon Priscilla LEUNG

That the middle-class people in Hong Kong have all along 'paid large amounts of tax but enjoyed few welfare benefits', which, coupled with rampant inflation, persistently high property prices and uncertain economic prospects in recent years, results in their facing heavy pressure in their career and livelihood; in this connection, this Council urges the Government to put forward proactive measures focusing on areas such as taxation, *law*, housing, healthcare, transport, family-friendliness, education and further studies, as well as personal career development, so that public policies can better cater for the interests and aspirations of the middle-class people; *the relevant measures should include:*

- (1) *to set up a 'loan fund for occupation switching' to assist eligible persons in becoming self-employed persons or starting up businesses;*

- (2) *to further expand the coverage of legal aid schemes, and relax the asset limit requirements under the Ordinary Legal Aid Scheme and the Supplementary Legal Aid Scheme, so as to enable more middle-class people to make applications;*
- (3) *to conduct a study on introducing tax deduction measures for children's education expenses to alleviate middle-class families' burden in respect of their children's education; and offer tax concessions to middle-class families who proactively take out medical insurance;*
- (4) *to raise the Child Allowance and Dependant Parent Allowance, and relax the limit on the number of years of deduction for home loan interest;*
- (5) *to conduct a study on providing middle-class families with a subsidy for renting private residential units;*
- (6) *to proactively implement measures for lowering the fees and charges of mandatory provident funds; and*
- (7) *to continue to implement measures for the middle-class people, such as tax rebates, rates exemption and electricity charge subsidy.*

Note: Dr Hon Priscilla LEUNG's amendment is marked in *bold and italic type*.