

For information
on 24 April 2015

**Legislative Council
House Committee**

Population Policy – Strategies and Initiatives

Purpose

This paper sets out the strategies and key initiatives of the population policy as announced in the 2015 Policy Address and briefs Members on the progress of implementation of the initiatives.

Background

2. To follow up on a pledge in the Chief Executive's Election Manifesto, the current-term Government reconstituted in end 2012 the Steering Committee on Population Policy (SCPP). The SCPP, chaired by the Chief Secretary for Administration (CS), conducted a large-scale public engagement exercise ending in February 2014. We met with various stakeholders to collate their views in meetings, focus groups and regional forums, including two special meetings of this Committee attended personally by CS and relevant Principal Officials in November 2013 and February 2014. A total of about 1 900 submissions were received. The Social Sciences Research Centre of the University of Hong Kong was commissioned to conduct an independent analysis of these submissions. The analysis report was published in July 2014.

3. Having regard to the public views received, the SCPP after deliberation with policy bureaux formulated a package of initiatives for announcement in the 2015 Policy Address. We also released a policy document entitled "Population Policy – Strategies and Initiatives" on 15

January 2015. On the same day we distributed to Members via the Legislative Council (LegCo) Secretariat a copy of the document.

4. The analysis report of the public engagement exercise and the policy document in paragraphs 2 and 3 above can be accessed at the population policy website (www.hkpopulation.gov.hk).

Strategies and Initiatives

5. As highlighted in the “Population Policy – Strategies and Initiatives”, Hong Kong is facing severe demographic challenges. Hong Kong’s total population is expected to grow moderately from the present 7.23 million to 8.47 million in 2041, at an annual growth rate of 0.6% only. At the same time, our population is ageing fast. The share of persons aged 65 or above is expected to increase from the current 15.5% to 32% by 2041. The “old-old” (aged 75 or above) will increase from the current 7.7% to 18.9% in 2041. Dependency ratio will deteriorate rapidly from the current 371 young and old dependents per 1 000 working age persons to 712 per 1000 working age persons. More imminently, we are projecting a decline in labour force from the peak of 3.71 million in 2018 to 3.51 million in 2035 before stabilizing from then onward. An ageing population will impose heavy burden on public finance as demand on healthcare and social services increases. On the other hand, insufficient labour will slow down economic growth.

6. Tackling our demographic challenges is a priority task for the current-term Government. Agreeing with the SCPP that a sustainable population policy should have the vision of enhancing our human capital to reinforce Hong Kong’s position as Asia’s world city and that Hong Kong’s future lies hand-in-hand with economic development and social progress, the Government adopted the following as the population policy objective of Hong Kong:

“To develop and nurture a population that will continuously support and drive Hong Kong’s socio-economic development as

Asia's world city, and to engender a socially inclusive and cohesive society that allow individuals to realise their potential, with a view to attaining quality life for all residents and families.”

7. Guided by the above objective, the SCPP has developed a five-pronged strategy as follows:

- (a) Creating a conducive environment to draw more women and mature persons into the labour market to avoid our future socio-economic development being impeded by insufficient manpower;
- (b) Sustaining economic development to provide more diversified job opportunities with promising prospects for our younger generation. We should also improve education and training to equip our young people with skills needed by our economy and help them achieve their career aspirations;
- (c) Adopting a more proactive and targeted approach to attract more outside talent to work and settle in Hong Kong to build up our stock of human capital. We should also consider more effective importation of labour arrangements for industries suffering from persistent manpower shortage without jeopardising the interests of local workers;
- (d) Fostering a supportive environment for our people to form and raise families; and
- (e) Building an age-friendly environment, promoting active ageing and tapping the valuable pool of elderly resources.

8. The policy document sets out some 50 specific initiatives in support of the policy objective and five-pronged strategies, with a view to optimising our future demographic structure and raising the quality and quantity of our population. These initiatives cover different areas of promoting sustainable growth, unleashing the potential of local labour force, enhancing the quality of home-grown talent, attracting talent from

outside, importation of labour, fostering a supportive environment for forming and raising families and embracing opportunities in an ageing society.

Implementation of the Initiatives

9. Subsequent to the announcement in the 2015 Policy Address, concerned bureaux and departments have been actively pursuing the population policy initiatives under their purview. The progress is set out below:

Ensuring sustainability in our development strategy

- (a) The updating of the “Hong Kong 2030: Planning Vision and Strategy” has commenced to examine the strategy and possible options for overall spatial planning and land and infrastructure development beyond 2030. Under the steer of the Development Bureau (DEVB), the Planning Department is coordinating the updating exercise which is expected to be completed by 2016. A website for the exercise was launched in January 2015;

Removing barrier to work –extending the retirement age

- (b) New recruits appointed to the Civil Service on or after 1 June 2015 will be subject to the new retirement age of 65 in respect of the civilian grades and 60 of the disciplined services grades, regardless of their ranks. The Civil Service Bureau is hammering out the implementation details for the flexible measures for extending the service of serving civil servants. The Bureau will maintain close dialogue with the management and staff sides in this regard. Other bureaux are taking steps to encourage their public or subvented organisations to follow the Government’s practice of extending the working life of their employees. The Education Bureau (EDB) is collecting information about the teaching force to assess whether and how the extension of retirement age of newly

recruited civil servants should be extended to aided schools;

- (c) The Security and Guarding Services Industry Authority (SGSIA) and the LegCo Panel on Security supported a proposal from the Security Bureau (SB) of extending the upper age limit from 65 to 70 and imposing a biennial medical check requirement on Category B Security Personnel Permits (SPP) holders aged 65 or above. The proposed extension of the age limit for SPPs and the imposition of a medical check requirement for permit applicants require amendments to the Criteria for issue of SPPs issued by the SGSIA under section 6(1)(b)(i) of the Security and Guarding Services Ordinance, Cap. 460. A Government motion will be moved to seek LegCo's approval for the revised Criteria before their gazettal in accordance with Cap. 460. Meanwhile, the Police Licensing Office will make necessary preparation to enable the proposal to take effect as soon as possible;

Supporting mature workers to work

- (d) Starting from the second quarter of 2015, the Labour Department (LD) will launch a series of measures, including employment briefings and dedicated webpage for elderly job seekers, large scale thematic job fairs and experience sharing sessions for employers, to promote elderly employment. The Department will also extend the subsidies for employers under the Employment Programme for the Middle-aged to part-time jobs from September 2015 onward;
- (e) The Employees Retraining Board (ERB) has commissioned a market research to identify the training needs of mature or retired persons. ERB will take into account the study findings available in the final quarter of 2015 in formulating its strategy and work plan on training and employment of mature persons;

Creating a family friendly environment to support women employment

- (f) The Labour and Welfare Bureau (LWB) is following through the

various measures for increasing child care services. For example, of the proposed some 5 000 additional places of Extended Hours Service at aided child care centres and kindergarten-cum-child care centres in districts with high demand, 1 200 places will be provided in 2015-16. On the issues of encouraging kindergartens to offer more whole-day services to support working parents and explore the feasibility of providing additional subsidies for families in need, the Committee on Free Kindergarten Education will make recommendations in its report to be submitted to Government in mid-2015;

- (g) LWB will update regularly the Women Employment website which is an information portal providing employment services, child and elderly care support services and training programmes for working women and women who are ready to join the labour market. In the second quarter of 2015, ERB will launch the Modular Certificates Accumulation Scheme on a pilot basis to facilitate trainees, in particular women, to obtain qualifications equivalent full-time courses upon completion of a number of specified half-day or evening courses. ERB is also working to roll out a pilot “first-hire-then-train” scheme in the third quarter of 2015 to train middle-aged homemakers as care workers for elderly homes;
- (h) In 2015-16, LD will step up publicity through different promotional avenues to encourage employers to adopt more widely family-friendly workplace practices. In addition, LD has been collaborating with employers and employees in the catering industry to devise employers’ guidelines on implementation of family-friendly employment practices. The Family Council will continue to promote a family-friendly working culture through its biennial “Family-Friendly Employers Award Scheme”;

Building an inclusive society

- (i) In 2015-16, ERB will earmark 7 000 training places for dedicated courses for new arrivals, persons with disabilities, ethnic minorities

and social groups with special needs. The Home Affairs Bureau (HAB) will roll out a funding scheme in the second half of 2015 to subsidise social enterprises and non-governmental organisations to provide about 2 000 to 3 000 on-site training places for persons with disabilities, ethnic minorities, elderly and other groups in need;

- (j) In September 2015, LD will extend the post-placement follow-up services for persons with disabilities from three to six months, benefitting over 2 000 persons per year. In March 2015, the Department organised two large-scale inclusive job fairs to enhance employment opportunities for ethnic minorities. The second batch of ethnic minority trainees of the Youth Employment and Training Programme has also commenced their employment as Employment Service Ambassadors in LD's Job Centres;

Improving the education and training for young people

- (k) Enhancing vocational training and widening young people's access to post-secondary education are among the priorities of our population policy. Having considered that these policy proposals are crucial to youth development, the Government advanced to announce in the 2014 Policy Address a range of education and training measures for young people. These include providing an additional 2 120 subsidised places for young people to pursue degree education; enhancing the status of vocational education, strengthening life planning education for secondary students; and setting up a \$1 billion endowment fund to promote the development of the Qualifications Framework. EDB and HAB are making good progress in implementing these measures;

Attracting talents from outside

- (l) The Immigration Department will roll out a package of measures in the second quarter of 2015 to ensure Hong Kong remains competitive globally in attracting and retaining talents. These

include launching a pilot scheme to facilitate the return of the second generation of Hong Kong emigrants; attracting talents to settle in Hong Kong by relaxing the stay arrangements under the existing talents admission arrangements (viz. the General Employment Policy (GEP), Admission Scheme for Mainland Talents and Professionals and Quality Migrant Admission Scheme (QMAS)); revising the QMAS marking scheme to attract talent who are graduates of an internationally recognized, renowned higher education institutions or with international work experience; and attracting more overseas investors to establish businesses in Hong Kong by specifying the consideration factors under the GEP investment stream and favourably considering applications supported by government-backed programmes such as InvestHK's StartmeupHK Venture Programme and Hong Kong Science and Technology Parks Corporation's incubation programmes. The Capital Investment Entrant Scheme has been suspended since 15 January 2015. Having regard to overseas experience, LWB will study the feasibility of drawing up a talent list. Together with other bureaux and departments, to attract high-quality talent in a more effective and focused manner to support Hong Kong's development into a high value-added and diversified economy ;

- (m) To tie in with the above enhancement measures, our overseas Economic and Trade Offices and Mainland Offices in 16 cities around the world will step up their efforts to promote the admission schemes. These include organising receptions or seminars, liaising with universities to reach out to the students, sending publicity materials of the refined schemes to selected targets, etc. The Offices will also capitalise on Principal Officials' visits outside Hong Kong and arrange suitable PR platforms for them to meet with the potential targets. InvestHK will also publicise more widely various admission schemes amongst investors and entrepreneurs through its overseas staff;
- (n) To alleviate the shortage of healthcare manpower, the Food and Health Bureau (FHB) will continue to discuss with the Medical

Council of Hong Kong (Medical Council) ways to refine the licensing examination arrangements for medical practitioners. In addition to increasing the number of examination sittings, the Medical Council also agrees to introduce more flexible internship arrangements to encourage qualified overseas doctors to practise in Hong Kong. Meanwhile, the Hospital Authority will continue to increase healthcare manpower supply in public hospitals by recruiting overseas doctors by way of limited registration and organising nurse training programmes. The Government is also actively considering the possibility of increasing the number of publicly-funded degree places in medicine, dentistry and other healthcare disciplines in the next funding cycle for universities;

Alleviating manpower shortage of the construction sector

- (o) LD and DEVB are working in full steam for setting up the Construction Industry Recruitment Centre within 2015-16. DEVB is also planning to seek LegCo's funding approval in July 2015 to provide \$100 million to support the Construction Industry Council to kick-start a pilot scheme to upgrade the skills of semi-skilled workers to the levels of skilled workers;
- (p) Having regard to the unique operational characteristics of the construction industry, DEVB briefed the Labour Advisory Board in January and April 2015 on the further enhancement measures for the industry under the Supplementary Labour Scheme to increase flexibility in deployment of imported skilled workers with a view to utilizing their productivity more effectively. The Government plans to launch these measures as early as possible in the second quarter of 2015. The Government will continue to keep close contact with the industry and review the effectiveness of the measures in a timely manner with an aim to meeting the needs of Hong Kong's economic and social development;

Providing better support for young people to start a family

- (q) The basic and additional child allowances will be increased from \$70,000 to \$100,000 from 2015-16 onwards, as announced in the 2015-16 Budget, subject to LegCo's approval of the relevant legislation in respect of the proposals;
- (r) The Committee on Free Kindergarten Education will put forward recommendations on how to practicably implement free kindergarten education in its report to be submitted to the Government in mid-2015. This measure will help alleviate the financial burden on young couples;
- (s) Statutory paternity leave became effective on 27 February 2015. Eligible male employees with child born on or after this date are entitled to three days' paternity leave with pay at four-fifths of their average daily wages. Various promotional activities have been launched to publicise to employers and employees the features of this new statutory benefit;

Active ageing

- (t) Last month LWB extended the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities to Green Minibuses (GMB) in phases. The first phase of extension, effective on 29 March 2015, covers 407 GMB routes or amounting to 81% of all GMB routes. The scheme helps building a caring and inclusive society by encouraging the elderly to participate more in community activities.

Continuous Monitoring

10. Population policy straddles different policy areas. All policy bureaux are involved in the implementation process. A high-level coordination is necessary to ensure effective delivery of the policy

initiatives. The SCPP chaired by CS will continue to serve as the key policy platform for this important work. The SCPP was restructured in December last year with membership comprising relevant Directors of Bureaux and Heads of Departments to monitor the implementation of the initiatives and cross-departmental collaboration.

11. To continue to benefit from professional and diverse views when deliberating population policy, the SCPP will organise forums on a regular basis to engage experts and stakeholders outside the Government to gauge their views and advice on how various initiatives can be enhanced. The first such forum was held on 17 March 2015 with the attendance of about 30 guests from different sectors such as businesses, academia, think tanks and non-governmental organizations.

Advice Sought

12. Members are invited to note the paper.

Chief Secretary for Administration's Office
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