

LCQ4: Improving incomes of grass-roots families and wage earners

Following is a question by the Hon Kingsley Wong and a reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (June 21):

Question:

In his important speech delivered on July 1 last year, the President pointed out that efforts should be made to "make sure that all citizens in Hong Kong share more fully and fairly in the fruits of development so that every resident will be convinced that if you work hard, you can improve the life of your own and that of your family". The Chief Executive also emphasised "better serving our people" in the 2022 Policy Address. However, it is learnt that the incomes of grass-roots families and wage earners have been on the low side for a long time. From 2002 to 2021, in terms of the median monthly domestic household income and the median monthly domestic household income of economically active households by decile group, the income increases of 40 per cent of households and 20 per cent of wage earners in the lowest deciles had underperformed inflation. In this connection, will the Government inform this Council:

(1) how it will implement the instructions of the President and fulfil the policy direction of the Policy Address, and whether key performance indicators will be set for the relevant work, so that the grass-roots and workers can have a greater sense of contentment and happiness;

(2) whether it will adopt "living wage" as the income baseline for government outsourced workers, so that they can make a decent living; and

(3) given that the Minimum Wage Commission is conducting a study on how to enhance the review mechanism for the Statutory Minimum Wage (SMW) level, whether the Government will consider making "living wage" as one of the factors for consideration in determining the SMW level, so that grass-roots workers can lead a dignified life?

Reply:

President,

The Government has been endeavouring to enhance the sense of contentment and happiness of all citizens in Hong Kong, in particular the grass-roots and workers. This is the common goal of all government bureaux for the betterment of livelihood of our citizens. Having consulted the relevant bureaux, including the Financial Services and the Treasury Bureau, the Health Bureau, the Environment and Ecology Bureau, the Culture, Sports and Tourism Bureau and the Housing Bureau, I herewith respond to the question of the Member on behalf of the Government:

(1) To implement the spirit of the important speech delivered by President Xi Jinping on July 1, 2022 and the election manifesto of the Chief Executive (CE), the current-term Government adopts a number of measures benefiting grass-roots under various policy aspects. In the interest of time, I set out the following major measures which illustrate the Government's focus and commitment in this regard:

Housing is the most concerned issue among grass-roots. The Government has been working in full steam to enhance the speed, quantity, efficiency and quality of public housing supply. The Government has identified sufficient land for providing about 360 000 public housing units in the coming 10-year period, i.e. in 2023-24 to 2032-33. With the supply of 30 000 Light Public Housing units in the coming five years, our target is to reduce the Composite Waiting Time for Subsidised Rental Housing to about 4.5 years in 2026-27. We also launched a Cash Allowance Trial Scheme in mid-2021 to relieve the pressure on livelihood of grassroots families who are waiting for public rental housing allocation. A total of around \$3.04 billion in cash allowance has been disbursed to around 87 700 eligible households so far.

From the perspective of medical and health, the Hospital Authority has rolled out measures to improve patient experience by reducing the waiting time for Specialist Out-patient Clinics and introducing a service model for drug collection and delivery. We will also introduce a three-year Chronic Disease Co-Care Pilot Scheme to subsidise about half of the examination and treatment fees. Another pilot scheme will enable eligible citizens to receive subsidised consultations at the University of Hong Kong-Shenzhen Hospital. The Elderly Healthcare Voucher Scheme will be enhanced to extend the coverage, allow the shared use of vouchers between spouses, and encourage the more effective use of primary healthcare services.

Moreover, the Government will enhance the mental wellness of the community with services targeting the needs of various groups. Measures include making arrangements for students in need to receive professional support at the first opportunity; allocating additional resources to strengthen community psychiatric services and to launch a pilot public-private partnership programme; and setting up a dedicated service centre on a trial basis for ethnic minorities. The Government will increase Chinese Medicine out-patient service quotas, regularise the Integrated Chinese-Western Medicine services, and create the post of the Commissioner for Chinese Medicine Development. We will allow pharmaceutical products registered in the Mainland and relevant places to be registered and sold in Hong Kong upon fulfilment of stringent requirements, thereby diversifying the supply of pharmaceutical products.

In terms of social welfare, the Comprehensive Social Security Assistance (CSSA) Scheme provides a safety net to those who are unable to support themselves for various reasons, whereas the Working Family Allowance (WFA) Scheme and the Old Age Living Allowance (OALA) provides financial support to designated groups. The Government has in recent years relaxed the eligibility for the WFA and increased its rates of allowances twice to benefit some 180 000 persons to date, which included more than 73 000 children. Furthermore, the Government has merged the Normal and Higher OALAs since September 2022,

so that eligible elderly persons may receive a higher rate of allowance. At present, nearly three-fourths, i.e. about 1.2 million, elderly persons aged 65 or above are receiving non-contributory cash allowances.

The current-term Government adopts the new strategy of targeted poverty alleviation by directing resources to those most in need. The Commission on Poverty has been restructured to study and identify any other target group for poverty alleviation. The Strive and Rise Programme which focuses on supporting junior secondary school students from underprivileged families, particularly those living in subdivided units, is in good progress since its implementation in October last year. We will enhance and launch the second phase of the Scheme. Meanwhile, the Government is planning to introduce the Community Living Room Project and the School-based After School Care Service Pilot Scheme, and invite the District Services and Community Care Teams in the 18 districts to support singletons, doubletons and households in which all members are elderly persons. Details will be announced in due course.

The Government is committed to enriching citizens' quality of life and enhance environmental hygiene, so that citizens from all walks of life can enjoy better sense of happiness. To respond to the public demand for enhanced environmental hygiene, the Deputy Chief Secretary for Administration has coordinated the efforts of relevant departments to tackle various hygiene black spots in Hong Kong, and the results are well received by the public. We have committed to removing at least 75 per cent of the environmental hygiene black spots by the end of this year. We will also enhance cityscape in Hong Kong and build a liveable environment. The Leisure and Cultural Services Department offers many quality and leisure and cultural services and programmes, many of which are free. Half-priced or even sponsored free tickets for the museums and some programmes of the West Kowloon Cultural District are offered to CSSA recipients or underprivileged persons.

(2) The Government is committed to protecting the remuneration of outsourced non-skilled workers. As announced in the 2022 Policy Address, the Government conducted a further review on the arrangement relating to the employment of non-skilled workers under government service contracts, including remuneration of the workers and the relevant monitoring mechanism. As reflected in the review findings in the first quarter of this year, the enhanced government procurement regime implemented since April 2019 has been effective. The median hourly wages of non-skilled workers have increased by 49.9 per cent during the 3.5-year period until September 2022, comparing much favourably with the Consumer Price Index (A) which has increased by 5.5 per cent over the same period. The median hourly wage of non-skilled workers, \$55, is also 37.5 per cent higher than the current Statutory Minimum Wage (SMW) of \$40, or 18.8 per cent higher than the market median wage. The new measures put forward upon review have been reported to the Legislative Council Panels concerned in May this year.

(3) The Minimum Wage Ordinance establishes the SMW regime to provide a wage floor which forestalls excessively low wages and minimises the loss of low-paid jobs, without jeopardising Hong Kong's economic growth and competitiveness. The Government has no plan to change the aforesaid policy objective of the SMW or introduce living wage besides the SMW.

Since the implementation of the SMW in May 2011, the employment earnings of grassroots employees have improved. In February-April 2023, the nominal average monthly employment earnings of full-time employees in the lowest decile group had risen cumulatively by 85.1 per cent compared with that of the pre-SMW period, translating into an increase of 31.6 per cent in real terms after discounting the headline Consumer Price Index (A) inflation of the corresponding period.

The CE announced in his 2022 Policy Address that the Minimum Wage Commission (MWC) would be invited to study how to enhance the review mechanism of the SMW. The MWC is conducting the second-stage consultation and will submit the study report to the CE by end-October this year. The Government will carefully consider the MWC's recommendations so as to chart the way forward.