

(Translation)

Motion on
“Actively studying the establishment of a middle class commission”
moved by Hon Tommy CHEUNG
at the Council meeting of 1 March 2017

Motion as amended by Hon Frankie YICK, Hon KWOK Wai-keung and Dr Hon Elizabeth QUAT

That the middle class has always been an important force for maintaining social stability and promoting economic development, but in recent years, the long-standing concerns in the external economic environment, the seriously lopsided development of Hong Kong’s industries, the short supply of housing, the polarization between the rich and the poor, and the never-ending political wrangling have caused the middle class to face problems of housing, taxation, education, healthcare, etc., and created a trend of downward mobility of the middle class; the Government’s support for the middle class has all along been limited to one-off relief measures such as providing tax rebates, increasing tax allowances, exempting rates or offering electricity charge subsidies, but these measures are just utterly inadequate for the middle class and have not practically alleviated their plight; in addition, as currently there is no precise definition of the middle class, and the Government does not regularly provide statistics and information specific to the middle class, if the authorities or community organizations use such information to formulate policies or measures to support the middle class, such policies or measures will very often be out of focus, biased and superficial; in this connection, this Council requests the Government to actively study the establishment of a middle class commission to comprehensively review the policies or measures relating to the middle class from a focused and higher-level perspective, so as to alleviate the various problems faced by the middle class and consolidate the strength of the middle class, thereby promoting afresh economic development and strengthening the momentum of upward mobility of the community as a whole; the relevant measures should include:

Definition

- (1) to lay down a clear and precise definition of the middle class, and regularly publish relevant statistics in respect of the definition;

Development of industries

- (2) 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;

- (3) to further strengthen regional economic development for integration with the economic development circles of different regions on the Mainland, so as to provide more and better career development opportunities for middle-class professionals within or outside the territory;

Housing

- (4) to expedite the identification of land for developing new development areas, optimize the use of rock caverns and carry out reclamation on an appropriate scale outside Victoria Harbour, so as to increase the supply of residential land on all fronts; and to increase the transparency of the housing plans as well as the supply of and demand for residential land for the next 10 years, and conduct an interim strategic review of and make corresponding adjustment to the relevant plans every five years;
- (5) to actively study the exploitation of green belt areas and 'brownfield sites' for the purpose of residential development;
- (6) to introduce a tax allowance for rentals for the marginal middle class;

Taxation

- (7) to adjust salaries tax downwards, in particular widening tax bands for salaries tax and lowering the marginal rate, so as to vigorously alleviate the burden of the marginal middle class;
- (8) to relax the restrictions on the dependent parent or dependent grandparent allowance by relaxing the eligibility requirement from living in the same unit to living in the same housing estate;

Education

- (9) to introduce a tax allowance for children's education to alleviate the burden of children education expenses on middle-class families;
- (10) to substantially increase the salaries tax deduction for self-education expenses and the subsidy under the Continuing Education Fund;

Healthcare

- (11) to provide tax deduction for medical insurance contributions; and
- (12) to provide tax deduction for medical examinations to encourage the middle class to undergo such examinations on a regular basis;

the middle class commission should also formulate specific improvement measures in areas such as occupational right, family-friendliness, retirement protection, living environment and transport, with a view to providing support to the middle class on all fronts, thereby alleviating the various kinds of pressures and burdens facing them; the middle class commission should also cater for the interests of the middle class and respond to their different demands, as well as create more opportunities for upward mobility to expand the ratio of the middle-class population, thereby enabling society to develop in a sustainable, stable and harmonious manner.