

**立法會**  
**Legislative Council**

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**Subcommittee to Study the Subject of Combating Poverty**

**Minutes of meeting**  
**held on Monday, 28 May 2007, at 2:30 pm**  
**in the Chamber of the Legislative Council Building**

**Members present** : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)  
Hon James TIEN Pei-chun, GBS, JP (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon CHAN Yuen-han, JP  
Hon LEUNG Yiu-chung  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, BBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Dr Hon Fernando CHEUNG Chiu-hung

**Members absent** : Hon Albert HO Chun-yan  
Hon Margaret NG  
Hon Emily LAU Wai-hing, JP  
Hon Ronny TONG Ka-wah, SC  
Hon Albert Jinghan CHENG

**Public Officers attending** : Item I  
  
Mr Stephen FISHER, JP  
Secretary to the Commission on Poverty  
  
Ms Edna WONG Yuen-ling  
Assistant Secretary to the Commission on Poverty

Mr LEE Cert-quinn  
Assistant Director (Estate Management)1

Mrs Alice LO CHAN May-yee  
Chief Housing Manager / Applications

Mr Byron NG  
Assistant Commissioner for Labour  
(Employment Services)

**Clerk in attendance** : Miss Betty MA  
Chief Council Secretary (2) 4

**Staff in attendance** : Mr Chris LAI  
Senior Council Secretary (2) 7

Ms CHAU Kwan-bing  
Legislative Assistant (2) 8

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**I. Draft report on "Elderly in poverty"**  
[LC Paper Nos. CB(2)1764/06-07(01) to (04) and CB(2)1951/06-07(01)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Chairman said that the Subcommittee would continue discussion with the Administration on the recommendations in its draft report on elderly in poverty relating to housing assistance and retirement protection for the elderly.

Meeting with the Administration

*Housing assistance for the elderly*

3. Members considered that housing assistance provided for the elderly was inadequate and should be enhanced. Members' suggestions on particular areas were as follows –

- (a) priority should be given to families with elderly members in public housing allocation so that younger family members could take care of the elder ones in the same public housing estate;

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- (b) in view of the problems associated with sharing kitchens and toilet facilities between tenants of one-person flats and units under the Housing for Senior Citizens (HSC) Scheme, more self-contained public rental housing (PRH) units should be constructed so that elderly tenants would not have to share facilities;
- (c) with the increasing number of elder abuse cases, household splitting and compassionate rehousing should be granted for all cases of abused elders upon recommendation from the Social Welfare Department (SWD), with a view to rendering better protection for abused elders; and
- (d) the PRH eligibility criteria for the elderly should be relaxed such that needy elderly property owners living in private dilapidated buildings could also be eligible for PRH units.

4. Responding to members' views, Assistant Director (Estate Management)1 and Chief Housing Manager/Applications of the Housing Department (HD) made the following points –

- (a) the Housing Authority (HA) had recently enhanced the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons (NFEP) under which the minimum waiting time for applicants would be reduced to 18 months. The choice of districts under NFEP would also be relaxed to allow applicants to choose flats in any districts other than the Urban District, instead of only the New Territories as in the past;
- (b) HA had been gradually converting one-person flats and HSC flats with shared kitchens and toilet facilities to normal self-contained units. HA would ensure that adequate self-contained one-person flats would be provided for elderly tenants. To tie in with the conversion programme, HA had aborted the construction of one-person flats with shared kitchens and toilet facilities and the allocation of HSC units for new tenants in housing blocks with high vacancy rate;
- (c) if there was proven serious and entrenched discord among family members, household splitting would be arranged for elderly PRH tenants upon the recommendation of SWD. In serious cases, HD would allocate public housing flats to abused elders under the compassionate rehousing policy upon recommendation from SWD. While the applicants in general were required to meet the prescribed eligibility criteria, including the Comprehensive Means Test and the

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Domestic Property Test, SWD might recommend waiving part or all of the eligibility criteria on the merits of individual cases. Depending on the needs of individual cases, the allocation of suitable flats could be made within a period of as short as 10 days; and

- (d) an ex-gratia arrangement had been introduced to allow needy elderly property owners to move into HSC on a temporary licence basis upon recommendation from SWD for compassionate rehousing. Discretionary arrangements would also be made for elders with special needs to live temporarily in self-contained PRH flats provided that they met the prescribed eligibility criteria. To maintain a rational allocation of public housing resources, HA must continue to give priority to the housing needs of the Waiting List applicants. Therefore, HA had no plan to exempt or relax the ownership restriction on domestic property to allow elderly property owners to apply for PRH.

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5. At the request of Dr Fernando CHEUNG and Miss CHAN Yuen-han, the Administration agreed to provide the following information after the meeting –

- (a) the number of vacant one-person PRH flats and HSC flats with shared kitchens and toilet facilities available for allocation to elderly applicants, and the progress of converting these flats into self-contained units where tenants did not have to share facilities with others and the estimated completion date;
- (b) the number of cases in which household splitting or compassionate rehousing had been arranged for abused elders in the past year;
- (c) the eligibility criteria for housing units under the Senior Citizen Residence Scheme and plans for providing more housing units for the needy elderly modelled on the Scheme; and
- (d) details of the policy of allowing younger families who had resided in PRH estates in the New Territories for 10 years to move to an extended urban/urban estate to live with their elderly parents and other new measures to foster harmonious families in public housing.

6. Mr Alan LEONG and Miss CHAN Yuen-han suggested that the Administration should further study the feasibility of introducing reverse mortgage schemes so that needy elderly property owners could make use of the reverse mortgage payments to cover their daily expenses.

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7. Secretary to Commission on Poverty (Secy/CoP) responded that CoP had not studied the proposal in detail as it would be more appropriate to consider the matter in the context of financial policy. He advised that as the residential properties owned by the elderly in Hong Kong were usually very old and some did not have any potential for redevelopment, their market values were limited. The proposal of reverse mortgage for these dilapidated residential properties might not be commercially viable. In addition, the lease conditions on properties in Hong Kong were relatively more complicated than those in overseas countries, which made it even more difficult to introduce reverse mortgage plans for such properties. Nevertheless, he would convey members' suggestions to the relevant bureau(x) for consideration.

*Retirement protection for the elderly*

8. Members present at the meeting generally expressed dissatisfaction at the absence of universal retirement protection for the elderly and the inefficacies of the Mandatory Provident Fund (MPF) Schemes in providing retirement protection for low-income workers. These members considered that the arrangement of offsetting the severance payment (SP) and long service payment (LSP) with the accrued benefits derived from the employers' contribution to the MPF Schemes, coupled with the high administrative fees charged by fund managers, had undermined seriously the retirement protection for employees. These members were strongly of the view that a review of the offsetting arrangement should be conducted expeditiously.

9. Assistant Commissioner for Labour (Employment Services) responded that the offsetting arrangement had been discussed at length and agreed by the parties concerned when the legislative proposals on the MPF Schemes were scrutinized by the Legislative Council. The proposal of removing the offsetting arrangement would need to be discussed thoroughly by the parties concerned.

10. Secy/CoP added that CoP had studied various suggestions of enhancing retirement protection for the elderly. While CoP had not come up with specific views in its report, it would recommend that the Government enhance retirement protection for the elderly, with a view to meeting the challenges brought about by the ageing population. Secy/CoP said that the study on "Sustainability of the Three Pillars of Retirement Protection in Hong Kong" was underway and expected to be completed in 2007. The Government would consider the findings of the study before deciding on the future course of action.

11. Members agreed that the discussion on the offsetting arrangement under the MPF Schemes should be followed up at the next meeting, and representatives from the Financial Services and the Treasury Bureau be invited to attend the meeting. To facilitate discussion, the Administration was requested to provide

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the following information –

- (a) its plan for reviewing the offsetting arrangement;
- (b) the number of cases in which LSP/SP had been offset by employers' MPF contribution since the launch of the MPF Schemes, together with the amount involved; and
- (c) the range of management fees charged by fund managers under the MPF Schemes.

Endorsement of the Subcommittee's report

12. Members endorsed the draft report on elderly in poverty for presentation to the House Committee meeting on 8 June 2007. Members agreed that the Subcommittee would seek the support of the House Committee, under rule 14A(h) of the House Rules, for priority allocation of a debate slot to the Chairman for moving a motion on the report at the Council meeting on 27 June 2007 and that the debate slot would not be counted as the Chairman's own slot. Members further endorsed the wording of the motion.

**II. Any other business**

13. The Chairman said that as CoP would submit its report to the Administration in early June 2007, the Subcommittee should discuss with CoP its report and recommendations on how to take forward the poverty alleviation work at the next meeting scheduled for 18 June 2007.

14. The Chairman added that the Subcommittee would commence the study on the development of social enterprises at the meeting in July 2007.

15. There being no other business, the meeting ended at 4:43 pm.

Council Business Division 2  
Legislative Council Secretariat  
3 August 2007

**Proceedings of the meeting of the  
Subcommittee to Study the Subject of Combating Poverty  
on Monday, 28 May 2007, at 2:30 pm  
in the Chamber of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker(s)</b>	<b>Subject(s)</b>	<b>Action required</b>
<i>Agenda Item I – Draft report on "Elderly in poverty"</i>			
000000 - 000618	Chairman	Meeting arrangements	
<i>Housing assistance for the elderly</i>			
000619 - 000924	Chairman Admin	The Administration's responses to the recommendations in the Subcommittee's draft report relating to housing assistance for the elderly	
000925 - 001916	Dr Fernando CHEUNG Admin	<p>Dr Fernando CHEUNG's suggestions for –</p> <ul style="list-style-type: none"> <li>(a) installing entrance metal gates for public rental housing (PRH) flats resided by the elderly so that the elderly residents could open the doors for better ventilation;</li> <li>(b) introducing measures to address the problems associated with sharing kitchens/toilets in one-person PRH flats and the Housing for Senior Citizens (HSC) flats; and</li> <li>(c) strengthening monitoring of the quality of warden services in HSC</li> </ul> <p>The Administration's responses that –</p> <ul style="list-style-type: none"> <li>(a) enhancement had been made to the design of the newly built PRH flats to improve the ventilation;</li> <li>(b) one-person PRH flats and HSC flats with shared kitchen and toilet facilities had been gradually converted into self-contained flats; and</li> <li>(c) warden services were continued to be provided by qualified personnel 24-hour a day</li> </ul> <p>Information on the number of vacant one-person PRH flats and HSC flats for allocation and the progress of converting these flats into self-contained units</p>	<b>Admin to follow up (para. 5(a) of the minutes)</b>
001917 - 002440	Chairman Ms LI Fung-ying Admin	Discussion on Ms LI Fung-ying's request for relaxing the PRH eligibility criteria for the elderly so that needy elderly property owners living in private dilapidated buildings would be eligible for PRH units	
002441 - 003221	Chairman Mr LEUNG Yiu-chung Admin	<p>Mr LEUNG Yiu-chung's views that –</p> <ul style="list-style-type: none"> <li>(a) measures should be introduced to alleviate the difficulties faced by needy elderly property owners living in private duplicated buildings;</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>(b) a timeframe should be specified for the programme of converting all one-person PRH flats and HSC flats into self-contained units; and</p> <p>(c) a survey should be conducted to ascertain the special needs and preferences of the elderly tenants in HSC flats prior to the implementation of conversion and rehousing programmes</p> <p>The Administration's advice that –</p> <p>(a) needy elderly property owners who relied on the meagre income generated from renting out part of their units could apply for low-income CSSA;</p> <p>(b) the programme of converting one-person PRH flats and HSC flats into self-contained flats should be carried out after taking into account the needs and preference of the elderly tenants; and</p> <p>(c) the Housing Department (HD) had conducted surveys to consult elderly tenants in HSC flats about their individual housing preferences and assistance needed in rehousing in the course of conversion programmes</p>	
003222 - 004108	Chairman Admin	<p>Discussion on the Chairman's enquiries –</p> <p>(a) whether there would be any upper limit on the number of adult offspring could be added to an elderly household under the new Addition Policy;</p> <p>(b) how PRH flats would be allocated to the elderly and their adult children if they submitted their applications at different times;</p> <p>(c) whether the allocation of HSC flats for new tenants had been discontinued to expedite the conversion programme; and</p> <p>(d) whether the seven-year residence requirement for compassionate rehousing could be waived upon the recommendation of the Social Welfare Department (SWD)</p>	
004109 - 004725	Chairman Dr Fernando CHEUNG Admin	<p>Dr Fernando CHEUNG's view that the prescribed eligibility criteria for both the main and the splinter households, including the Comprehensive Means Test and the Domestic Property Test, in applying for household splitting should be waived upon recommendation of SWD</p> <p>Information on the number of cases in which household splitting or compassionate rehousing had been arranged for abused elders in the past year</p>	<p><b>Admin to provide the requested information (para. 5(b) of the minutes)</b></p>
004726 - 005234	Chairman Mr Alan LEONG Admin	<p>Discussion on Mr Alan LEONG's suggestion of studying the feasibility of introducing reverse mortgage schemes for needy elderly property owners</p>	

Time marker	Speaker(s)	Subject(s)	Action required
005235 - 010111	Chairman Miss CHAN Yuen-han Admin	Miss CHAN Yuen-han's view that –  (a) the Government should take the lead in introducing reverse mortgage schemes for needy elderly property owners; and  (b) arrangements for household splitting and compassionate rehousing should be expedited to provide timely assistance for abused elders	
010112 - 010827	Chairman Admin	The Chairman's enquiry about the eligibility criteria and the operational details of the following schemes –  (a) household splitting and compassionate rehousing arrangements for abused elders; and  (b) the Families with Elderly Persons Priority Scheme and the Special Scheme for Families with Elderly Persons	
010828 - 011622	Chairman Miss CHAN Yuen-han Admin	Miss CHAN Yuen-han's views that –  (a) CoP should recommend the Government to study the introduction of reverse mortgage schemes for needy property owners in its report;  (b) more training and clear guidelines should be provided for frontline staff of SWD and HD in handling applications by abused elders for household splitting or Compassionate Rehousing; and  (c) policy requiring offspring of PRH tenants to move out upon marriage should be reviewed  Discussion on the Senior Citizen Residence Scheme launched by the Hong Kong Housing Society and the new policy of allowing younger families living in PRH estates in New Territories to move to an extended urban/urban estate to live with their elderly parents	<b>Admin to provide more information (paras. 5(c) and (d) of minutes)</b>
011623 - 012349	Chairman Mr LEUNG Kwok-hung Admin	Discussion on Mr LEUNG Kwok-hung's criticism that the Administration failed to take concrete actions in response to the Subcommittee's recommendations in the report  The Administration's advice that the relevant bureaux and departments had provided responses to the Subcommittee's recommendations on different occasions	
012350 - 013146	Chairman Mr Abraham SHEK Mr LEUNG Kwok-hung Admin	Mr Abraham SHEK's concern about the lack of concrete measures to –  (a) assist the working poor who could not benefit from the improved economy; and  (b) provide housing assistance for needy elderly property owners who were facing difficulties in daily lives  Discussion on the validity of Gini coefficient to measure the extent of poverty in Hong Kong	

Time marker	Speaker(s)	Subject(s)	Action required
<i>Retirement protection for the elderly</i>			
013147 - 013321	Chairman Admin	Briefing by the Administration on the background to the offsetting arrangement provided for in the Mandatory Provident Fund (MPF) Schemes	
013322 - 013840	Chairman Miss CHAN Yuen-han Mr LEE Cheuk-yan Admin	Mr LEE Cheuk-yan's view that amendments should be introduced to the MPF Schemes Ordinance to repeal the offsetting arrangement, as it had significantly undermined the retirement protection for workers	
013841 - 014453	Miss CHAN Yuen-han Admin	Miss CHAN Yuen-han's concern that if an employee was made redundant for several times, the amount of MPF benefits payable to them when they retired would be reduced substantially	
014454 - 015223	Chairman Mr LEUNG Kwok-hung Admin	Mr LEUNG Kwok-hung's suggestion of introducing a universal retirement protection scheme in Hong Kong  The Administration's response that in view of divergent views towards the introduction of a universal retirement protection scheme and its implications, the proposal would need further discussion	
015224 - 015700	Dr Fernando CHEUNG Chairman Admin	Dr Fernando CHEUNG's concern that the offsetting arrangement under the MPF Schemes, coupled with the high management fees charged by fund managers under the MPF Schemes, had significantly undermined the retirement protection benefits for workers	
015701 - 015757	Mrs Selina CHOW Admin	Mrs Selina CHOW's concern about the medical services for the elderly, including the automated telephone booking system for general out-patient clinics and the Chinese medicine clinics	
015758 - 015955	Chairman Mr LEE Cheuk-yan	Mr LEE Cheuk-yan's suggestion of following up discussion on the offsetting arrangement under the MPF Schemes at a future meeting with representatives from the Financial Services and the Treasury Bureau	
015956 - 020223	Chairman Miss CHAN Yuen-han	Miss CHAN Yuen-han's view that there was a need to review the offsetting arrangements under the MPF Schemes, irrespective of whether a universal retirement protection scheme would be introduced	
020224 - 020615	Chairman Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's dissatisfaction at the inefficacies of the MPF Schemes, in particular the offsetting arrangements, and the high management fees charged by fund managers under the MPF Schemes  Information on the number of cases in which long service payment or severance payment had been offset by employers' MPF contribution and the amount involved, and the range of management fees charged by fund managers under the MPF Schemes	<b>Admin to provide the requested information (para. 11 of the minutes)</b>
020616 - 020807	Chairman	Endorsement of the Subcommittee's report on elderly in poverty for presentation to the House Committee	

<b>Time marker</b>	<b>Speaker(s)</b>	<b>Subject(s)</b>	<b>Action required</b>
<i>Agenda Item II – Any other business</i>			
020808 - 021300	Chairman Miss CHAN Yuen-han Mr LEE Cheuk-yan	Dates of the next meetings and issues to be discussed	

Council Business Division 2  
Legislative Council Secretariat  
3 August 2007