

立法會
Legislative Council

LC Paper No. CB(2)947/06-07
(These minutes have been
cleared with the Chairman)

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Subcommittee to Study the Subject of Combating Poverty

Minutes of meeting
held on Thursday, 14 December 2006, at 2:30 pm
in Conference Room A 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 Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon Ronny TONG Ka-wah, SC
Hon Albert Jinghan CHENG

Members absent : Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Alan LEONG Kah-kit, SC

Deputations by invitation : Elderly Power
Ms LAW Heng-hung
Representative

Mr NG Wai-chiu
ADPL Social Service Centre
Elderly Training Project
Project-in-charge

The Hong Kong Council of Social Service

Ms CHAN Wai-yung
Chief Officer

Democratic Alliance for the Betterment and Progress of
Hong Kong (DAB)

Mr CHAN Han-pan
District Council Member and DAB Deputy Spokesperson
of Welfare Services

Mr Benny YEUNG Tsz-hei
DAB Deputy Spokesperson of Welfare Services

The Hong Kong Society for the Aged

Mr Kelvin LAU
Senior Officer (Quality and Research)

Mr Benjamin LEE
Quality and Research Officer

Joint Alliance for Universal Retirement Protection

Mr CHUA Hoi-wai

Grassroots Development Centre

Mr LEUNG Wing

Labour Rights Commune

Mr WONG Chi-kwan
Member

The Chinese Grey Power

Ms LO Siu-lan
Member

Ms LEE Tsui-king
Organizer

Hong Kong Federation of Trade Unions Social Affairs
Committee

Mr MOK Kin-wing
Representative

Concerning CSSA Review Alliance

Mr LI Tai-shing

Mr HUI Yat-hau

Society for Community Organization

Mr NG Wai-tung
Community Organizer

Elderly Rights League (H.K.)

Mr PANG Wai-shing
Chairman

Mr KWOK Chi-yin
Executive

爭取長者福利聯合行動組

Mr WONG Tsz-sum
Representative

Ms LEUNG Mong-sung
Representative

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

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

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Elderly in poverty

[LC Paper Nos. CB(2)602/06-07(01) and CB(2)642/06-07(01) to (11)]

Meeting with deputations

The Chairman welcomed representatives of the deputations to the meeting. He said that the meeting was held to receive views from deputations on the subject of elderly in poverty. The Subcommittee would incorporate the views and suggestions made by deputations in preparing its report on elderly in poverty, and the Administration would be invited to respond to the recommendations in the report at future meetings.

2. The views of the deputations were summarised below.

Elderly Power

[LC Paper No. CB(2)642/06-07(02)]

3. Ms LAW Heng-hung presented the views of the Elderly Power as detailed in its submission. Ms LAW said that the Administration should establish expeditiously a universal old age pension scheme to enable all elderly to get immediate and basic financial security. Echoing similar views, Mr NG Wai-chu urged the Administration to accede to the strong calls from the elders for universal retirement protection.

Hong Kong Council of Social Service

[LC Paper No. CB(2)642/06-07(03)]

4. Ms CHAN Wai-yung introduced the submission of the Hong Kong Council of Social Service (HKCSS). Ms CHAN said that the problem of elderly in poverty was caused by a plethora of reasons as set out in HKCSS' submission. In addition to financial hardship, social exclusion was another serious problem faced by the poor elders. In view of the ageing population and an increasing number of poor elderly, the Administration should set out clear policy objectives for the prevention and alleviation of the problem of elderly in poverty. In this regard, HKCSS had put forward a number of recommendations in its submission.

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Democratic Alliance for the Betterment and Progress of Hong Kong (DAB)

5. Mr CHAN Han-pan said that while the number of elders on Comprehensive Social Security Assistance (CSSA) was increasing in the recent years, many needy elders were not eligible for CSSA because of the stringent asset limit. These poor elders faced undue economic hardship and could only rely on Old Age Allowance (OAA) and low-income jobs for a living. Mr CHAN was of the view that the asset limit for elderly CSSA applicants should be relaxed, and the elderly should be allowed to apply for CSSA on an individual basis. Consideration should also be given to providing direct subsidy to the needy elders in the form of voucher to enable them to choose the types of residential and medical services which best suit their needs. As a long-term solution for providing financial security in old age, Mr CHAN said that DAB considered that a social security system for retirement protection with contribution from the Government, employers and employees should be introduced.

6. Mr Benny YEUNG said that as most elders were suffering from chronic illnesses and required frequent medical follow-up treatment, the Administration should strengthen healthcare services for old people and consider relaxing the criteria for non-CSSA elderly patients to make applications for medical fee waiver to enable them to receive timely treatment.

*The Hong Kong Society for the Aged
[LC Paper No. CB(2)642/06-07(04)]*

7. Mr Benjamin LEE presented the views of The Hong Kong Society for the Aged (SAGE) as detailed in its submission. Mr LEE considered that enhancing elderly employment was one of the effective ways to alleviate and prevent the problem of elderly in poverty. Apart from encouraging self-reliance, employment could enhance the psychological well-being of elders. Mr LEE saw good potential for promoting elderly employment in Hong Kong, as the current labour force participation rate of elderly was less than 10%. To facilitate the employment of elderly, the Administration should formulate support measures such as granting tax concession to business organisations which offered employment to elders and subsidising non-governmental organisations (NGOs) in the setting up of employment service centres for the elderly.

8. Mr LEE added that the Administration should provide transport subsidy to the needy elders to encourage them to participate in more activities in the community and implement a universal retirement protection scheme to provide basic financial security to all retired elderly.

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Joint Alliance for Universal Retirement Protection
[LC Paper No. CB(2)642/06-07(05)]

9. Mr CHUA Hoi-wai introduced the submission of the Joint Alliance for Universal Retirement Protection (JAURP). Mr CHUA said that the Mandatory Provident Fund (MPF) Schemes could not benefit the current generation of needy elders as they had not participated in the Schemes. For other low-income earners who had participated in the Schemes, their contribution to the Schemes was meagre and they could hardly accumulate adequate savings for their twilight years. To address the inadequacies of the MPF Schemes and the emerging needs of the ageing population, JAURP had presented its proposal for a contributory retirement protection plan at the Subcommittee meeting in July 2005. Mr CHUA hoped that the Subcommittee would follow up on the proposed scheme in its report on elderly in poverty.

10. Noting that the consultancy study commissioned by the Central Policy Unit on the financial sustainability of the existing three pillars of retirement protection had already taken three years, Mr CHUA urged the Administration to expedite the study and make public the study findings as early as possible.

Grassroots Development Centre
[LC Paper No. CB(2)642/06-07(06)]

11. Mr LEUNG Wing presented the views of the Grassroots Development Centre as detailed in its submission. Mr LEUNG considered that the budget deficit faced by the Hospital Authority (HA) was mainly attributed to a reduction in Government subsidies and high staff costs. HA should not tackle the budget problem by increasing the medical charges such as fees for accident and emergency services and outpatient services. The heavy burden on medical expenses would further aggravate the financial difficulties faced by the needy elders.

12. Mr LEUNG was dissatisfied with the slow progress made by the Administration in setting up public Chinese medicine clinics in all the 18 districts in Hong Kong and the high consultation fees charged by these clinics. He added that the Grassroots Development Centre had made a series of suggestions to enhance the healthcare services for the elderly as detailed in its submission.

Labour Rights Commune
[LC Paper No. CB(2)642/06-07(07)]

13. Mr WONG Chi-kwan introduced the submission of the Labour Rights Commune. Mr WONG said that the retirement protection for low-income and low-skilled workers was far from adequate. With reference to his own experience, when he was dismissed at the age of 64, his former employer had

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offset his entitlement for long service payment and severance payment by the accrued benefit derived from the employer's contribution in the MPF Schemes. He had to rely on his meagre savings for a living. Mr WONG strongly urged the Administration to implement a universal retirement protection scheme to safeguard the well-being of all retired elderly. To foster self-reliance of the elderly, Mr WONG suggested that the Government should take the lead in employing those elderly with the capacity and desire to work.

The Chinese Grey Power

[LC Paper No. CB(2)642/06-07(08)]

14. Ms LO Siu-lan presented the views of The Chinese Grey Power as set out in its submission. Ms LO said that most of the current generation of elderly were low-income earners who could hardly accumulate adequate savings to prepare for their retirement. Despite their contribution to the society when they were young, these elders were now facing financial difficulties and could barely afford the basic cost of living including food and medical expenses. Ms LO considered that the CSSA Scheme could not provide sufficient protection for the needy elders as the payments were unable to meet their basic needs. Ms LO urged the Administration to implement a universal retirement protection scheme under which all elderly would be provided with a monthly pension of \$2,500 to \$3,000 to support their basic livelihood.

Hong Kong Federation of Trade Unions Social Affairs Committee

[LC Paper No. CB(2)642/06-07(09)]

15. Mr MOK Kin-wing presented the views of the Hong Kong Federation of Trade Unions Social Affairs Committee as set out in its submission. Mr MOK expressed concern about the situation of the needy elders who were not on CSSA. As these needy elders were unable to receive assistance under the CSSA Scheme, the Administration should strengthen support to elders in need in the community. Mr MOK added that the provision of services for the elderly should take into account their specific needs. For instance, the implementation of the automated telephone booking system in General Out-Patient Clinics had created inconvenience to elders when making medical appointments, notwithstanding the facility under the new system for patients to choose the clinics and consultation sessions.

16. Mr MOK said that the Administration should extend the annual absence limit for OAA so that elders could choose to stay in the Mainland for a longer period of time. In addition, consideration should be given to relaxing the eligibility criteria for "Two-way permit" to enable the Mainland grandchildren of the elderly to come to Hong Kong to take care of them.

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*Concerning CSSA Review Alliance
[LC Paper No. CB(2)642/06-07(10)]*

17. Mr HUI Yat-hau presented the views of the Concerning CSSA Review Alliance as detailed in its submission. Mr HUI said that as OAA was inadequate for the old people to meet their basic needs, elders with dire financial problems would have to rely on CSSA for a living. However, the CSSA standard payment rates, which were determined based on the review of the CSSA Scheme conducted 10 years ago, were insufficient for the elderly to meet their rising living expenses and special needs such as expenses on Chinese medicine. In addition, as a result of the stringent asset limit for applying for CSSA, many needy elders were not eligible for CSSA payments if they preferred to maintain some "funeral savings" for a sense of security. Mr HUI held the view that the Administration should conduct a comprehensive review on the CSSA standard rates and raise the asset limit for the elderly CSSA applicants.

18. Mr LI Tai-shing expressed dismay that some elders in Hong Kong still needed to pick cardboards on the streets to make ends meet. He held a strong view that the Administration should take immediate actions to alleviate the difficulties faced by these poor elders.

*Society for Community Organization
[LC Paper No. CB(2)642/06-07(11)]*

19. Mr NG Wai-tung presented the views of the Society for Community Organization (SOCO) as detailed in its submission. Mr NG expressed disappointment at the absence of new initiatives to assist the elderly in poverty in the 2006-2007 Policy Address. Noting that the Elderly Commission would be brought under the proposed Family Commission, Mr NG expressed concern about the lack of a dedicated organisation to address issues relating to the needy elderly. He said that the policy of requiring persons living together with family members to apply for CSSA on a household basis was in conflict with the policy of fostering family cohesion. As a result of such requirement, some elderly members were forced to move out of their families in order to be eligible for applying for CSSA. Mr NG suggested that the Administration should allow the elderly family members to apply for CSSA on an individual basis.

20. Mr NG pointed out that while needy elders not on CSSA could apply for medical fee waiver and rent allowance, the success rate of such applications was low due to the stringent eligibility criteria. Given their meagre savings and inadequate retirement protection, these poor elders suffered undue economic hardship arising from the heavy medical and housing expenses.

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Elderly Rights League (H.K.)
[LC Paper No. CB(2)642/06-07(11)]

21. Mr PANG Wai-shing presented the views of the Elderly Rights League (H.K.) as set out in its submission. Mr PANG wondered whether the Administration had reneged on its promise to care for the elderly, since the 2006-2007 Policy Address did not mention any assistance for the elderly in poverty. He said that many poor elders could only rely on OAA for a living because their children could not or did not want to support them financially and refused to apply for CSSA on a household basis. The difficulties faced by the poor elderly were further aggravated by heavy medical expenses. Mr PANG called upon the Administration to implement expeditiously a universal old age pension for all elders, as receiving a pension was generally more acceptable to the elders than receiving CSSA.

爭取長者福利聯合行動組

22. Mr WONG Tsz-sum said that the Administration should formulate policies to safeguard the livelihood and dignity of the elderly. He considered that the Portable CSSA Scheme should be extended to all places outside Hong Kong and the absence limit for OAA should be relaxed to 360 days in a year, so as to enable the elders to spend their twilight years at their hometowns. To encourage taking care of elderly family members, Mr WONG proposed to increase allowances for taxpayers who took care of their dependent parents and granting subsidies to family carers of elderly with chronic illnesses. He added that as some elders might have the capacity and desire to work, the Administration should draw reference from the Mainland experience and create more employment opportunities for the elderly, for example, by providing training for the elderly to act as heritage tour guides.

23. Ms LEUNG Mong-sung said that being an elder in her seventies, she was still carrying out hawking activities to earn a living on her own accord. As a result of frequent enforcement actions, most of her income had been used to pay for the fine for illegal hawking activities. To enable elders to be self-reliant, she suggested that the Administration should permit elders to carry out hawking activities at designated areas.

Against Elderly Abuse of Hong Kong

24. Members noted that the Against Elderly Abuse of Hong Kong had provided a written submission (LC Paper No. CB(2)642/06-07(01)) but had not sent a representative to the meeting.

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Discussion

Retirement protection

25. Mr LEE Cheuk-yan said that the subject of elderly in poverty had been discussed for years, but the Administration had not taken any actions to address the problem. Noting from the Administration's reply to the question raised by the Chairman at the Council meeting on 13 December 2006 that the study on the financial sustainability of the existing three pillars of retirement protection undertaken by the Central Policy Unit was expected to be completed in 2007, Mr LEE expressed strong dissatisfaction about the slow progress as the study had commenced in 2004. Mr LEE saw no reasons why the study had taken such an unduly long period for completion. Dr Fernando CHEUNG shared a similar view.

26. Dr Fernando CHEUNG pointed out that at the meeting of the Panel on Financial Affairs held on 14 December 2006, the Financial Secretary had reported a strong growth in the Hong Kong economy recently. However, Dr CHEUNG noted that the number of low-income households had risen from 85 300 to 187 100 over the past 10 years. He believed that the increase was attributed partly to a surge in the number of poor, retired elderly households. In the light of the increasing severity of the problem of elderly in poverty, Dr CHEUNG was of the view that a universal retirement protection scheme should be introduced without further delay. The Subcommittee should include the proposal in its report.

27. Echoing similar views, the Chairman and Mr LEUNG Kwok-hung said that the Subcommittee should strive for the implementation of a universal retirement protection scheme in Hong Kong. To this end, Mr LEUNG considered that the Subcommittee should put forward specific recommendations for the Administration's follow-up.

28. Mr TAM Yiu-chung pointed out that the elderly in poverty were facing two major challenges, namely, insufficient income to meet the basic living requirements and heavy burden on medical expenses. The Elderly Commission had discussed and the Commission on Poverty (CoP) was deliberating measures to strengthen the assistance and support to elders in need. As regards the proposal for a universal retirement protection scheme, Mr TAM said that to his knowledge, the crux of the Administration's concern was the financial sustainability of the proposed scheme. Despite numerous studies having been conducted on the subject, a solution had yet to be worked out. Mr TAM hoped that the Subcommittee would come up with a feasible recommendation for the Administration's consideration.

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29. Mr KWOK Chi-yin of the Elderly Rights Leagues urged the Administration to implement expeditiously a universal retirement protection scheme to provide basic financial security to all retired elderly, particularly elders who were not on CSSA and suffering undue economic hardship. He pointed out that while some elders had planned to take up permanent residence in the Mainland because of the lower cost of living, the standard of medical services in the Mainland had prevented them from doing so. Mr KWOK considered it unrealistic to encourage elders to continue to work, as they would be out-competed in the labour market.

30. Mr CHUA Hoi-wai of JAURP said that every effort should be made to improve the livelihood of elderly living in poverty, as economic hardship would have adverse impact on the physical and psychological well-being of old people. As regards the concern about the financial sustainability of the universal retirement protection plan put forward by JAURP, Mr CHUA pointed out that the proposed scheme was confirmed financially viable by a professional actuary. If the monthly old age pension was set at the level of \$2,500, the proposed scheme could sustain for 50 years without additional contributions from the Government, as funding could be obtained by way of inter-generational redistribution of MPF contributions. Mr CHUA was disappointed that the Administration had yet to provide a concrete response to the proposal and appealed to the Subcommittee's support for JAURP's proposal. The Chairman said that the Subcommittee would give due regard to the JAURP's proposal when discussing the recommendations on measures to assist the needy elders.

Elderly employment

31. Mr LEE Cheuk-yan said that although there were sayings that taking up employment was beneficial for the elders, he had yet to come up with a view on the subject of elderly employment. He pointed out that if there was sufficient retirement protection, elders could enjoy their retirement life without worrying about their finances and participate in activities in the community at their own choice. Mr LEE expressed concern that in the absence of employment protection specifically for the elderly, they would be subject to age discrimination and exploitation of employers when seeking employment. In addition, the impact of elderly employment on the employment opportunities of the middle-aged low-skilled workers also called for careful consideration.

32. Ms LI Fung-ying shared the concern raised by Mr LEE Cheuk-yan. Ms LI invited the representative of SAGE to elaborate on the proposal on elderly employment.

33. Mr Benjamin LEE of SAGE responded that enhancing elderly employment would by no means take the place of retirement protection for all elders. The major concern was that elders should be provided with an equal

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opportunity to work at their own choice. A study conducted by the University of Hong Kong showed that employment would enhance the physical and psychological well-being of elderly, thereby reducing their need for medical services. To his knowledge, measures were introduced in the United States to assist elderly to work. In Singapore, a "Golden Opportunities Fund" was set up to provide seed money for elders to organise programmes and activities in the community.

34. Dr Fernando CHEUNG agreed that elders should be given an opportunity to decide whether they would continue to work. Dr CHEUNG said that he was not worried about the problem of competition in the labour market, as the elders would not be able to compete with the younger generation in the same market.

35. Mr LEUNG Kwok-hung considered that prior to the implementation of a universal retirement protection scheme and the setting of a minimum wage to protect the rights and benefits of old people, the elders should not be encouraged to work and earn for a living. Mr LEUNG also disagreed with the proposal of providing seed money for the elderly to start business, as it was wrong to let the elderly take risks in running business.

36. Mr TAM Yiu-chung said that while promoting elderly employment would be one of the possible ways to alleviate the problem of elderly in poverty, he was concerned about the difficulties faced by elders in finding jobs due to their relatively less competitiveness in the labour market.

Social security assistance

37. Ms LI Fung-ying said that some elders chose to spend their twilight years at their hometowns in the Mainland but had to return to Hong Kong after almost exhausting their savings. These elders could not apply for CSSA and OAA immediately after returning to Hong Kong because of non-compliance with the residence requirement for an applicant to have resided in Hong Kong continuously for at least one year immediately before the date of application. Mr NG Wai-tung of SOCO expressed similar concern about the economic hardship faced by those elderly. Ms LI and Mr NG considered the residence requirement unreasonable and urged the Administration to remove the requirement as early as possible.

38. Mr TAM Yiu-chung pointed out that while elderly on CSSA were provided with basic financial assistance, those not receiving CSSA had to rely on a relatively small amount of OAA for a living. These poor elders would be in greater financial hardship if their family members were unable to support them financially. Consequently, some elderly even had to use their meagre savings to support their families.

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39. Mr WONG Tsz-sum of 爭取長者福利聯合行動組 cited that some elderly CSSA applicants were forced to move out of their families in order to be eligible for CSSA. To promote family cohesion, Mr WONG urged the Administration to allow elders living with family members to apply for CSSA on an individual basis.

40. Mr LEUNG Kwok-hung considered that as a recognition of the contribution made by the elderly when they were young, the provision of financial security in old age should be regarded as a basic right instead of a charity. Dr Fernando CHEUNG shared the view of Mr LEUNG and said that in the light of the improving financial position of the Government, the Government should utilise effectively the fiscal surplus and make efforts to prevent the elderly from falling into poverty.

Medical services and long-term care

41. Mr TAM Yiu-chung said that as most elders suffered from chronic illness and required frequent medical consultation and treatment, cash subsidy should be given to elders with medical and financial needs to alleviate their financial burden. Mr TAM further said that when taking forward the proposals on healthcare financing and fee revision to public medical care services, the Administration should give due consideration to the financial implications on the elderly.

42. The Chairman said that more support should be given to the needy elders to ensure that they would not be deprived of necessary medical services due to a lack of money and administrative hurdles. Apart from cash subsidy, the Administration should enhance the medical services for the elderly, such as extending the telephone booking arrangement to Chinese medicine services.

43. Mr WONG Chi-kwan of Labour Rights Commune said that given their deteriorating health conditions and meagre savings, the elderly in poverty could barely afford the increasing medical expenses. He suggested that medical fee waiver should be granted to elders aged 60 or above in all types of public medical services.

44. Mr Benny YEUNG of DAB said that in view of the ageing population, the Administration should formulate a blueprint for the development of long-term care services for elders. He expressed concern about the long waiting time, of an average of 38 months, for the services provided by the Elderly Health Centres. To shorten the waiting time, the Administration should enhance the service capacity of these centres.

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Empowerment of the elderly

45. The Chairman said that the Government had not given sufficient attention to the rights and benefits of the elderly population because the latter were silent on their own needs. The Chairman pointed out that to exert the greatest influence on the Government, the elderly should draw reference from the European experience of "grey power". Being a coalition of elderly organisations, "grey power" succeeded in pooling the votes of the elders and exerted their political influence on the governments on the promotion of the welfare and well-being of old people.

II. Any other business

46. The Chairman said that a draft report on elderly in poverty would be prepared by the Legislative Council (LegCo) Secretariat incorporating the views and suggestions made by members and deputations. The Subcommittee would discuss and consider the draft report at the next meeting. Further meetings would be scheduled to discuss with the Administration the implementation of recommendations in the Subcommittee's report. To facilitate the preparation of the draft report, the Chairman requested the deputations to submit their further views, if any, to the LegCo Secretariat by the end of December 2006.

47. The Chairman advised that CoP would discuss proposals relating to the long-term travel support scheme and the Child Development Fund at its meeting to be held in late January 2007. He suggested that the next Subcommittee meeting would be held after the CoP meeting so that members could discuss with CoP the details of the proposals. Members agreed to hold the next Subcommittee meeting on 30 January 2007 at 10:45 am.

(Post-meeting note : The next meeting of the Subcommittee had been rescheduled to 19 January 2007 at 10:45 am as the CoP meeting was held on 8 January 2007.)

48. There being no other business, the meeting ended at 4:28 pm.

Council Business Division 2
Legislative Council Secretariat
25 January 2007