

立法會
Legislative Council

LC Paper No. CB(2)3014/05-06
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

**Minutes of special meeting
held on Thursday, 8 June 2006 at 8:30 am
in the Chamber of the Legislative Council Building**

- Members present** : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)
Hon CHAN Yuen-han, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Bernard CHAN, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
- Members absent** : Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon YEUNG Sum
- Members attending** : Hon Howard YOUNG, SBS, JP
Hon Ronny TONG Ka-wah, SC

**Public Officers : Item I
attending**

Ms Salina YAN
Deputy Secretary for Health, Welfare and Food
(Elderly Services and Social Security)

Mr D C CHEUNG
Principal Assistant Secretary for Health, Welfare and Food
(Elderly Services and Social Security) 2

Mr Albert AU
Assistant Secretary for Health, Welfare and Food
(Elderly Services and Social Security) 3

Mrs Kathy NG
Assistant Director of Social Welfare (Elderly)

Mr CHENG Chok-man
Chief Social Security Officer (Social Security) 1
Social Welfare Department

Mr LAM Ka-tai
Chief Social Work Officer (Elderly) 2
Social Welfare Department

**Deputations : Item I
by invitation**

Christian & Missionary Alliance Sun Kei Secondary School

Miss LEUNG Chun-ying
Student

Miss LAM Hiu-man
Student

The Hong Kong Council of Social Service

Mr CHUA Hoi-wai

The Elderly Rights League

Mr PANG Wai-shing
Chairman

Society for Community Organization

Ms FOK Tin-man
Community Organizer

Mr KWOK Chi-yin

Elderly Alliance for the Rights Concern

Mr OR Jee-king
Group Member

Mr CHUN Sai-kee
Group Member

The Grey Power

Miss LEE Tsui-king

Mr CHANG Biu

ADPL Social Service Centre Limited - Elderly Leadership
Training Project

Mr NG Wai-chiu
Project In-charge

Ms MA Choi-ha
Member

Association for the Rights of the Elderly

Ms LAM Yu-kiu
Executive Committee Member

Ms SO Kit-yin
Vice Chairperson (External)

Hong Kong Christian Service, Elderly Council

Mr WAN Bong
Vice Chairman

Ms WONG Lan-kwai
Committee Member

SAGE Senior Council

Ms Alice NG
District Affairs Secretary

Mr LEE Pun
Quality and Research Officer

Hong Kong Association for Senior Citizens

Mr MAK Hon-kai
Chairperson

Ms TANG Pui-ling
Vice Chairperson

長者政策監察聯席

Ms LEE Kwai-tin
Member

Ms LEE Yin-mui
Member

The Against Elderly Abuse of Hong Kong

Ms Kennex YUE
Chief Executive Director

Joint Alliance for Universal Retirement Protection

Dr WONG Hung
Convenor

Mr LI Chun-wai
Organizer

Clerk in attendance : Ms Doris CHAN
Chief Council Secretary (2) 4

Staff in attendance : Miss Mary SO
Senior Council Secretary (2) 8

Miss Maggie CHIU
Legislative Assistant (2) 4

I. Assistance to elderly not receiving CSSA
(LC Paper Nos. CB(2)2248/05-06(01) to (05) and CB(2)2291/05-06(01))

Deputations' views

Representatives from the following organisations gave their views on assistance to elderly not receiving Comprehensive Social Security Assistance (CSSA), details of which were set out in their respective submissions –

- (a) Society for Community Organization and the Elderly Rights League (LC Paper No. CB(2)2248/05-06(02));
- (b) Grey Power (LC Paper No. CB(2)2248/05-06(03));
- (c) ADPL Social Service Centre Limited – Elderly Leadership Training Project (LC Paper No. CB(2)2308/05-06(02) tabled at the meeting);
- (d) Association for the Rights of the Elderly (LC Paper No. CB(2)2308/05-06(03) tabled at the meeting);
- (e) SAGE Senior Council (LC Paper No. CB(2)2308/05-06(04) tabled at the meeting);
- (f) 長者政策監察聯席 (LC Paper No. CB(2)2291/05-06(01));
- (g) Against Elderly Abuse of Hong Kong (LC Paper No. CB(2)2248/05-06(4)); and

- (h) Joint Alliance for Universal Retirement Protection (LC Paper No. CB(2)2248/05-06(05)).

2. Representatives from the Christian & Missionary Alliance Sun Kei Secondary School showed a video of the plight of an old woman who had to pick up cardboard boxes on the streets all day long in order to meet ends meet, as her four-member family, with a household income of \$11,000 a month, rendered her and her 70 years old spouse not eligible for CSSA. They hoped that the Administration would impose heavier penalties on people who abused CSSA and step up educating the public to be self-reliant, so that valuable resources could be better targetted at those genuinely in need.

3. Mr CHUA Hoi-wai from the Hong Kong Council of Social Service urged the Administration to formulate a comprehensive policy to safeguard the livelihood and dignity of people in their old age.

4. Representatives from the Hong Kong Christian Service, Elderly Council and Ms TANG Pui-ling from the Hong Kong Association for Senior Citizens urged the Administration to implement an universal retirement protection scheme so that all older persons could enjoy financial security to maintain a basic standard of living immediately after retirement. The Hong Kong Christian Service, Elderly Council also urged the Administration to pay better regard to the needs of the older persons in the areas of medical care, housing and places to pursue their hobbies.

The Administration's response

5. Deputy Secretary for Health, Welfare and Food (Elderly Services and Social Security) (DSHWF(ES&SS)) responded as follows -

- (a) the social security system comprising CSSA, Old Age Allowance (OAA) and Disability Allowance (DA), together with other forms of assistance detailed in paragraphs 11-29 of the Administration's paper (LC Paper No. CB(2)2248/05-06(01)), together formed a safety net for elderly in Hong Kong;
- (b) the non-contributory CSSA scheme took special care of the elderly through the provision of higher standard rates, special grants and supplements for various items, including glasses, dentures, removal expenses, fares to hospital/clinic, medically recommended diets and appliances, an annual long term supplement, and a burial grant. The self-occupied property of an elderly or a family with an elderly member was also totally disregarded from the CSSA asset test;

- (c) non-CSSA elders aged 65 or above were eligible for the non-contributory OAA which was designed to meet the special needs of older persons arising from old age. OAA was largely non-means-tested, i.e. only applicants aged between 65-69 were subject to income and assets limit, while applicants aged 70 or above were not subject to any means test;
- (d) non-CSSA elders with severe disability were also assisted by the non-means-tested DA;
- (e) currently, eight out of 10 elders aged 65 or above were covered by the Government's social security system, while nine out of 10 elders aged 70 or above were covered by the same;
- (f) it was highly doubtful whether the public would support the implementation of a universal retirement protection scheme whereby half of an individual's personal saving under the Mandatory Provident Fund (MPF) Scheme would be pooled and re-distributed to the current generation of elders regardless of the means of the elders. It was also questionable whether such a scheme could be sustained in the long run, as seen from some overseas experience, because of the ageing population, lower fertility rate and increasing life expectancy. In fact, the recent motion on setting up a universal retirement scheme failed to carry at the Council meeting on 26 April 2006; and
- (g) with the Mandatory Provident Fund (MPF) Scheme now in place as one of the three pillars recommended by the World Bank for retirement protection, a study was being undertaken to examine the interaction and roles of the three pillars to provide better complementarity and enhanced protection to the older persons in need.

Discussion

6. Mr LEE Cheuk-yan expressed regret that the Secretary for Health, Welfare and Food (SHWF) had again failed to come before the Panel to answer questions from members. Mr LEE further said that if the motion on "universal retirement protection" was moved by the Administration, and not by a Member, the motion would have been carried at the Council meeting on 26 April 2006, as 39 Members had voted in favour of it. The reason why the motion failed to carry at the Council was because it was a Member's motion, the passage of which required a majority vote of two groups of Members, i.e. Members returned by functional

constituencies and Members returned by geographical constituencies through direct elections, present. Mr LEE requested the Administration to indicate which overseas places had decided to scrap their pay-as-you-go (PAYG) scheme to provide financial protection for older persons. To his understanding, places which implemented the PAYG scheme to provide financial protection for older persons only sought ways to improve the scheme and not to scrap it. In view of the Administration's response in paragraph 5 above, Mr LEE wondered whether the Administration had abandoned its policy to ensure that all elders could lead a dignified and financially-secure life in their old age because it considered elders were not no longer worthy members of the community. Mr LEUNG Kwok-hung and Ms LI Fung-ying expressed similar views.

7. DSHWF(ES&SS) responded that the Administration considered the existing MPF scheme suitable for the circumstances of Hong Kong for the reasons already given. DSHWF(ES&SS) further said that the reason why no overseas places which implemented a PAYG scheme to provide retirement protection for elders had scrapped the scheme was because it was too entrenched to be replaced by a new system. DSHWF(ES&SS) clarified that the Administration had never said that elders were not worthy of being provided with a dignified and financially-secure life in their old age. The Administration recognised that many elders still played a vital role in the society by helping to look after their grandchildren, engaging in voluntary work etc. The Elderly Commission had been doing a lot of work in advocating active ageing, so that elders could continue to lead a meaningful life and contribute to the society in their old age.

8. Mr Frederick FUNG expressed regret that SHWF did not come before the Panel to respond to the call for setting up a universal retirement protection scheme for all older persons. Mr FUNG pointed out that the existing MPF scheme could not provide retirement protection to those who were low-income earners, who joined the scheme only for a short time period or who had never worked in their lives such as homemakers. As regards the CSSA scheme, only people who were eligible could reap all the benefits. Moreover, there were too many barriers to defer needy elders from getting CSSA. For instance, they could not apply for CSSA on their own if they lived with their adult children. They could only be eligible for CSSA if their adult children signed a paper declaring that they did not want to support their parents financially.

9. Mr Ronny TONG said that it was incumbent upon the Administration to pursue the setting up of a universal retirement protection scheme for all older persons, as a majority of the Members voted in favour of it at the Council meeting on 26 April 2006. It was unreasonable for the Administration to insist on a consensus before implementation. If that was the case, no proposal could be taken forward. Mr TONG further said that he could not agree with the

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Administration's views that the existing measures could provide a safety net for needy elders, for the reasons already pointed out by the deputations and members. If the Administration would honour its pledge to implement people-centred policies, it should set up a universal retirement protection scheme for all older persons.

10. Mr Howard YOUNG said that the Liberal Party (LP) shared the views that the MPF scheme might not be adequate to provide retirement protection to all older persons, including those considered as middle-class. The LP supported conducting studies to find out ways to provide better retirement protection to all older persons, but would not support the proposal of scrapping the MPF scheme, which, despite its deficiencies, had been in place for quite some time and could serve its purpose to an extent. Mr YOUNG then asked the Administration whether it would consider offering tax deduction for voluntary contributions over the prescribed percentage under the MPF scheme.

11. DSHWF(ES&SS) agreed to convey Mr YOUNG's suggestion of offering tax deduction for voluntary contributions over the prescribed percentage under the MPF scheme to the Financial Services and the Treasury Bureau for consideration.

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12. Mr Albert HO requested the Administration to provide a paper providing the figures to substantiate its saying that a PAYG retirement protection scheme was not feasible. Mr HO also requested the Administration to consult all employees in Hong Kong on whether they were willing to allocate 50% of their MPF contributions to a pool for distribution to the current cohort of elders, on the understanding they too would receive a monthly sum of some \$2,500 in their old age.

13. Mr LEE Cheuk-yan moved the following motion -

“本會促請政府立即推行可持續運作的全民養老金計劃，令所有長者即時獲得基本的經濟保障，同時政府應全面檢視相關房屋、醫療等政策，令非綜援長者的保障得到全面的配套。”

(Translation)

“That this Panels urges the Government to immediately implement a sustainable universal retirement protection scheme to enable all older persons to get immediate basic financial security; at the same time, the Government should conduct a comprehensive review of the housing, medical and related policies so as to provide comprehensive protecton to elders not on CSSA.”

14. Mr James TIEN proposed to amend Mr LEE's motion as follows -

“本會促請政府立即推行**積極研究**可持續運作的全民養老金計劃，令所有長者即時獲得基本的經濟保障，同時政府應全面檢視相關房屋、醫療等政策，令非綜援長者的保障得到全面的配套。”

(Translation)

“That this Panels urges the Government to ~~immediately implement~~ **actively conduct a study on** a sustainable universal retirement protection scheme to enable all older persons to get ~~immediate~~ basic financial security; at the same time, the Government should conduct a comprehensive review of the housing, medical and related policies so as to provide comprehensive protection to elders not on CSSA.”

15. The Chairman put Mr James TIEN's proposed amendments to Mr LEE Cheuk-yan's motion to vote. Nine members voted against and one member voted in favour of the Mr TIEN's proposed amendments. The Chairman then put Mr LEE's motion to vote. Nine members voted in favour of the motion and one member abstained. The Chairman declared Mr LEE's motion carried by the Panel.

16. Miss CHAN Yuen-han suggested holding another meeting to further discuss with the Administration on the setting up of a PAYG universal retirement protection scheme for all older persons.

17. DSHWF(ES&SS) responded that the Administration did not see the need to re-open debate on the establishment of a PAYG universal retirement protection scheme for all older persons, as a similar proposed Old Age Pension scheme had failed to obtain consensus from the public in the 1990s. DSHWF(ES&SS) advised that the Central Policy Unit (CPU) was undertaking the study referred to in paragraph 5(g). Responding to the Chairman's enquiry on when the CPU would complete the study, DSHWF(ES&SS) said that to her understanding more time was needed by the CPU to complete the study.

18. In closing, the Chairman said that the Panel would continue to pursue with the Administration on the setting up of a PAYG universal retirement protection scheme for all older persons

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19. There being no other business, the meeting ended at 10:46 am.

Council Business Division 2
Legislative Council Secretariat
11 September 2006