

立法會
Legislative Council

LC Paper No. CB(2)321/08-09
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

**Minutes of special meeting
held on Thursday, 23 October 2008, at 2:30 pm
in the Chamber of the Legislative Council Building**

- Members present** : Hon CHEUNG Kwok-che (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
- Member absent** : Hon Albert CHAN Wai-yip (Chairman)
- Members attending** : Hon CHEUNG Man-kwong
Hon LEE Wing-tat
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon IP Wai-ming, MH
- Public Officers attending** : Labour and Welfare Bureau
Mr Matthew CHEUNG Kin-chung, GBS, JP
Secretary for Labour and Welfare

Mr Paul TANG, JP
Permanent Secretary for Labour and Welfare

Mr Stephen Fisher, JP
Director of Social Welfare

Miss Nancy LAW, JP
Deputy Director of Social Welfare (Administration)

Mr FUNG Pak-yan
Deputy Director of Social Welfare (Services)

Miss Hinny LAM
Principal Assistant Secretary for Labour and Welfare
(Welfare) 2

Home Affairs Bureau

Mr TSANG Tak-sing, JP
Secretary for Home Affairs

Ms Florence HUI
Under Secretary for Home Affairs

Ms Margaret HSIA, JP
Deputy Director of Home Affairs (1) (Acting)

Miss Christine CHOW
Principal Assistant Secretary for Home Affairs (Civic Affairs) 2

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

Staff in attendance : Mr YICK Wing-kin
Assistant Legal Adviser 8

Mr Chris LAI
Senior Council Secretary (2) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

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As Mr Albert CHAN, Panel Chairman, was unable to attend the meeting, Mr CHEUNG Kwok-che, Deputy Chairman, chaired the meeting.

I. Briefing by the Secretary for Labour and Welfare and the Secretary for Home Affairs on the Chief Executive's Policy Address 2008-2009
[LC Paper Nos. CB(2)15/08-09(01) to (03)]

2. Secretary for Labour and Welfare (SLW) briefed members on the new welfare and poverty alleviation initiatives in the 2008-2009 Policy Address and Policy Agenda, and gave an account of the progress of work of the major initiatives relating to welfare services and poverty alleviation in the 2007-2008 Policy Agenda. SLW said that the major new initiatives included –

- (a) intensifying direct support for victims of domestic violence and families in need;
- (b) enhancing rehabilitation services for persons with disabilities;
- (c) providing short-term food assistance to individuals and families in need; and
- (d) enhancing elderly care and carer support services.

3. Secretary for Home Affairs (SHA) highlighted the work of the Home Affairs Bureau as the secretariat of the Family Council and in promoting the development of social enterprise (SE) as detailed in the Administration's paper. SHA said that the Family Council had identified the family core values, and would encourage the community to participate in promoting these values. It was also examining ways with relevant bureaux and departments and the Women's Commission to further encourage the business sector to adopt "family-friendly" employment practices. On the advice of the Family Council, the Administration was looking into ways to include the family as a factor to consider in its policy-making process. SHA further said that taking into account the views of various sectors solicited in the Summit on SE held on 20 December 2007, the Administration would promote the development of SE through a four-pronged approach –

- (a) enhancing public understanding;
- (b) promoting cross-sector collaboration;
- (c) nurturing more social entrepreneurs; and
- (d) strengthening support for SE.

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Discussion

Old Age Allowance

4. Mr LEE Cheuk-yan expressed dissatisfaction at the proposal to introduce a means test mechanism to Old Age Allowance (OAA). He pointed out that the original intention of OAA was to provide a monthly allowance to the elderly residents to meet the special needs arising from old age, but this had in effect turned into a form of relief money for some poor elders. Mr LEE commented that neither did the proposal of introducing a means test mechanism show respect for the senior citizens, nor provide target assistance for those elders in financial hardship. Mr LEE said that even if the monthly rates of OAA were increased to \$1,000, the amount was still far from adequate to provide financial protection for elders. Ms LI Fung-ying, Mr LEE Wing-tat and Mr WONG Kwok-kin echoed Mr LEE Cheuk-yan's views.

5. Ms LI Fung-ying considered it unacceptable to introduce a means test mechanism to OAA. Pointing out that the request to increase the monthly rates of OAA to \$1,000 was unanimously supported by Members, she strongly urged the Administration to increase the allowance. Mr LEE Wing-tat, Mr Albert HO, Mr WONG Sing-chi and Mr IP Wai-ming expressed similar views. Ms LI also considered that the annual permissible limit of absence from Hong Kong under OAA should be relaxed.

6. SLW responded that taking into account the views expressed by different sectors and political parties, the Administration concurred that the proposed level of \$1,000 for OAA was reasonable. Recognizing the need for a comprehensive strategy on the provision of financial support for the elderly, the Chief Executive (CE)'s Policy Address 2008-2009 set out the factors for consideration in exploring a feasible long-term option for OAA in the light of a rapidly ageing population and limited financial resources. SLW added that the Labour and Welfare Bureau was conducting a review on OAA which aimed to work out a sustainable and affordable option for the community by the end of 2008. He stressed that the Administration did not have any established position, and would continue to listen to views from Members and different sectors.

7. Mr LEE Wing-tat said that Members belonging to the Democratic Party were dissatisfied at the proposal of introducing a means test mechanism to OAA. He further said that some needy elders were reluctant to apply for Comprehensive Social Security Assistance (CSSA) because of various reasons, and hence they had to rely on OAA and their meagre savings for a living. He strongly urged the Administration to honour the former CE's pledge and increase the monthly rates of OAA to \$1,000, given that the last revision to the OAA rates was made 10 years ago. As the request to increase the level of OAA to \$1,000

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was supported by Members unanimously, he could not understand why the Administration still refused to do so. In the light of the negative comments on the proposal to introduce a means-tested OAA from Members and the community at large, Mr LEE took the view that the Administration should withdraw it and provide a positive response during the debate on the Motion of Thanks in respect of the CE's Policy Address 2008-2009. Mr Albert HO and Mr WONG Sing-chi shared Mr LEE Wing-tat's views.

8. Mr WONG Kwok-hing, Mr LEUNG Yiu-chung and Mr Alan LEONG considered that the proposal to introduce a means test mechanism to OAA had totally hurt the feelings of the elderly as the nature of OAA was a token of respect to the senior citizens. The introduction of a means-tested OAA would entirely change the nature of OAA. Mr Alan LEONG said that as reported in the newspaper, an OAA recipient had returned the allowance received by him in the past years to the Government to show his dismay at the proposal. These members strongly urged the Administration to take heed of the public views and shelve the proposal of introducing a means-tested OAA as well as raise the level of OAA.

9. Mr WONG Kwok-hing said that in its letter to CE, the Hong Kong Federation of Trade Unions (HKFTU) proposed to remove the assets and income limits for applying for Normal OAA, further relax the permissible annual absence limit from Hong Kong, and increase the monthly rates of OAA. HKFTU also suggested that in the absence of a universal retirement protection system, the Administration should consider providing an additional monthly living supplement for those needy elders who were not on CSSA. Mr WONG added that upon the completion of the review on OAA, the Administration should put forth several options for public consultation before making a decision.

10. SLW responded that he fully understood members' concerns. The Administration had attached great importance to the welfare of the elderly and appreciated their contribution to the society. It would continue to enhance support for elders in need, such as increasing the subsidised residential care places for frail elders. SLW reiterated that the Administration was working to complete the review on OAA by the end of 2008. It maintained an open mind on the proposals put forward by Members and the community, and would take into account the views carefully before taking a decision.

11. Mr WONG Kwok-kin considered that in the light of an ageing population, the Administration should consider establishing a universal retirement protection system expeditiously to enable all elderly to have comprehensive retirement protection. This would also help alleviate the concern about the sustainability of OAA.

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12. SLW responded that the current approach adopted by Hong Kong in providing financial assistance for the elderly was the three-pillar approach on retirement protection advocated by the World Bank, namely, the social safety net for the needy elders (including the CSSA and OAA), the Mandatory Provident Fund (MPF) Schemes and voluntary private savings.

13. Mr WONG Kwok-kin took the view that the three pillars of retirement protection failed to meet the challenges brought by the ageing population. He said that some needy elders were reluctant to apply for CSSA because of the negative labelling effect, and some of them were unable to benefit from the MPF Schemes as they had not participated in the Schemes. Pointing out that the Joint Alliance for Universal Retirement Protection (JAURP) had made proposals for a retirement protection plan for Hong Kong, Mr WONG invited the Administration to meet with JAURP to discuss the proposals.

14. SLW advised that he met with representatives of JAURP in August 2008. On the long-term financial protection for the elderly, SLW said that the Central Policy Unit (CPU) had launched studies on the sustainability of the three pillars of retirement protection in Hong Kong. The Government would consider the findings of the studies in deciding the future course of action.

15. Mr Albert HO said that the general public and Members were expecting an increase of OAA rates as the request was supported by the Legislative Council. However, the Administration did not raise the allowance or put forth options for establishing a universal retirement protection system to provide genuine assistance for elders in need. In his view, the introduction of a means test mechanism to OAA would depart from the original intention of providing OAA, and turn the allowance into a new category of CSSA. As OAA had become a form of income support for needy elders, the Administration should not make any policy change to OAA pending the establishment of a universal retirement protection system.

16. SLW responded that the Policy Address highlighted the factors for consideration in exploring a feasible long-term option for OAA. The Administration would continue to solicit views and suggestions from different sectors, and was working to complete the review on OAA by the end of 2008.

[To allow more time for discussion, the Chairman suggested and members agreed that the meeting would be extended for 10 minutes to 3:40 pm.]

17. Mr Ronny TONG disagreed with the Administration's analysis on the policy implications of increasing the monthly rates of OAA, which, in his view, had exaggerated the financial implications of the proposal in the coming 30 years. Mr TONG pointed out that some eligible elders had not applied for OAA, and they would not do so even if the level of OAA was increased. Moreover, the

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need for resorting to OAA as a maintenance subsidy would be reducing as the current generation of working population would have retirement protection under the MPF Schemes. In his view, the problem of elderly poverty would be alleviated if a universal retirement protection system was established.

18. Mr LEUNG Yiu-chung considered that the MPF Schemes failed to provide adequate retirement protection for low-income workers who were not eligible for CSSA. It was the Government's responsibility to draw up long-term measures to meet the challenges brought by the rapidly ageing population. While the Administration could draw reference from the findings of CPU's studies, it was not an excuse for delaying the implementation of a universal retirement protection system. Mr LEUNG noted with concern that MPF funds recorded substantial loss as a result of the recent global financial turmoil. To assist low-income workers who would retire soon, the Administration should revisit the proposal of implementing an old age pension system without further delay.

19. Mr LEUNG Kwok-hung expressed dissatisfaction at the lack of specific measures in the Policy Address to assist the disadvantaged. In his view, the welfare expenditure in Hong Kong was relatively low as compared to other developed countries. To provide genuine assistance for elders in need, Mr LEUNG strongly urged the Government to implement a universal retirement protection scheme within the next five years.

20. SLW advised that it was the shared responsibilities among individuals, their families and the society in meeting the needs of elders. Nevertheless, needy elders facing financial difficulties could apply for CSSA which provided a safety net to meet their basic needs. The proposal of establishing a universal retirement protection system involved complex issues which needed time to study. Given a rapidly ageing population and limited financial resources, the Government must explore a feasible long-term option for OAA which could enhance the assistance to those elders in need but also ensure the sustainability of the non-contributory social security system. SLW stressed that while the Government needed to consider introducing a means test mechanism to OAA, the existing recipients would not be affected. The Administration had no established position, and it was working to complete the review on OAA by the end of 2008. The Panel would be briefed and consulted on the findings and recommendations of the review.

Pilot Neighbourhood Support Child Care Project (NSCCP)

21. Mr LEE Cheuk-yan asked whether taking care of children under the pilot NSCCP projects was remunerative posts; if so, whether the remuneration would be set on a par with the hourly rates stipulated under the wage protection movement.

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22. Expressing similar concern about the nature of the child care services, Mr IP Wai-ming said that he had received a few complaints about the remuneration paid to child carers. To his knowledge, the hourly rate of some home-based child carers was \$20, but \$2 had been deducted to cover the employment insurance premiums. He was concerned whether the remuneration would be subject to any monitoring mechanism. He added that the home-based child carers should not be allowed to work more than 55 hours weekly and take care of more than three children aged below six at the same time.

23. SLW responded that NSCCP aimed to promote mutual help in the neighbourhood and, at the same time, help needy families take better care of their children. Under the pilot NSCCP, home-based child carers could earn a remuneration for the service they provided. The project would therefore create a win-win situation for both the needy families and the home-based child carers. It should, however, be noted that earning of the remuneration was not the primary aim of the project.

24. Director of Social Welfare (DSW) supplemented that NSCCP comprised two service components, namely, centre-based care group and home-based child care service. The operating hours of the services would be flexible to better meet the needs of parents, and therefore the carers would be remunerated on an hourly basis. DSW added that remuneration for the provision of child care services was included in the subvention to operating community organizations. As the primary objective of the project was to promote mutual help and care in the community, it was not appropriate to compare the remuneration of carers with the minimum wage level.

Pilot Transport Support Scheme

25. To help combat the problem of working poverty, Ms LI Fung-ying said that the pilot Transport Support Scheme (TSS) should be extended to all low-income workers who had to commute long distance to work, which had been studied by the former Commission on Poverty. Ms LI expressed dissatisfaction at the Administration's refusal to extend TSS to all districts despite repeated request made by members.

26. SLW responded that TSS was designed as a time-limited subsidy to needy unemployed and low-income employees in designated remote districts with fewer employment opportunities with a view to encouraging the target beneficiaries to look for and stay in employment. Upon review of the one-year pilot TSS, the Labour Department had implemented a number of relaxation measures, such as raising the monthly income ceiling from \$5,600 to \$6,500 and extending the duration of the subsidy period from six to 12 months. SLW

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added that the Administration would review the effectiveness of TSS one year after the implementation of the relaxations.

Development of social enterprise

27. Referring to the paper provided by the Home Affairs Bureau, Mr Alan LEONG enquired whether the primary function of SE was to enhance the employability of the able-bodied unemployed and create more job opportunities for them. He also asked about the specific plans put in place to further develop SE after holding the Summit on SE on 20 December 2007.

28. SHA responded that apart from enhancing employability of and creating job opportunities for the disadvantaged, the development of SE would also help reinforce the district based approach in alleviating poverty and promote the culture of caring in the community. For example, the implementation of the Social Enterprise Partnership Programme by the Home Affairs Department (HAD) had facilitated more than 10 partnership projects between enterprises and non-governmental organizations. Seed grants were also provided for eligible SEs through the "Enhancing Self-Reliance Through District Partnership Programme" under HAD to subsidize their initial operations. The Chairman requested the Administration to provide more information, if any, on the promotion of SE development after the meeting.

II. Any other business

Application for late membership
[LC Paper No. CB(2)90/08-09(01)]

29. The Chairman referred members to the letter dated 17 October 2008 from Mr Albert HO making an application for late membership of the Panel (LC Paper No. CB(2)90/08-09(01)). Members raised no objection to Mr HO's request.

30. There being no other business, the meeting ended at 3:40 pm.