

立法會
Legislative Council

LC Paper No. CB(2)1215/10-11
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 10 January 2011, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon CHEUNG Kwok-che (Chairman)
Hon WONG Sing-chi (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, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Dr Hon LEUNG Ka-lau
Hon IP Wai-ming, MH
Dr Hon PAN Pey-chyou
Dr Hon Samson TAM Wai-ho, JP
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip

Members absent : Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-kin, BBS
Hon Alan LEONG Kah-kit, SC

Public Officers attending : Item V

Ms Karyn CHAN Ching-yuen
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1

Mrs Anna MAK CHOW Suk-har
Assistant Director of Social Welfare
(Family and Child Welfare)

Item VI

Mr Matthew CHEUNG Kin-chung, GBS, JP
Secretary for Labour and Welfare

Mrs Polly CHAN CHOY Bo-chun
Principal Assistant Secretary for Labour and Welfare
(Welfare) 4

Mr Patrick HO Chung-kei, JP
Deputy Secretary for Financial Services and
the Treasury (Financial Services) 2

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

Staff in attendance : Ms Yvonne YU
Senior Council Secretary (2) 5

Miss Karen LAI
Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Confirmation of minutes
[LC Paper No. CB(2)670/10-11]

The minutes of the meeting held on 8 November 2010 were confirmed.

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II. Information paper(s) issued since the last meeting

2. Members noted that no information paper had been issued since the last meeting.

III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)709/10-11(01) to (02)]

3. Members agreed to discuss the child fatality review proposed by the Administration at the next meeting to be held on 14 February 2011 at 10:45 am. Members also agreed to receive views from deputations on the subject.

4. The Chairman said that it was agreed earlier that deputations would be invited to express views on the Enhancing Self-Reliance Through District Partnership Programme before the completion of the review on the Programme. Members agreed to discuss and receive views from deputations on the implementation of the Programme at the next regular meeting in January 2011.

IV. Proposal to appoint subcommittee(s) under the Panel

[LC Paper Nos. CB(2)639/10-11(01) and CB(2)709/10-11(03)]

5. The Chairman said that at the meeting on 13 December 2010, members agreed that the Panel should appoint a subcommittee to monitor the Government's follow-up action on the Equal Opportunities Commission's Formal Investigation Report on Accessibility in Publicly Accessible Premises ("EOC Report"). To facilitate members' further deliberation, Mr WONG Sing-chi had put forward the proposed terms of reference and work plan of the Subcommittee [LC Paper No. CB(2)639/10-11(01)]. The Chairman further said that at the special meeting on 18 December 2010, the Panel unanimously passed a motion moved by Mr Albert HO, Mr LEUNG Yiu-chung and Mr Alan LEONG that a subcommittee should be appointed to follow up the proposal of implementing universal retirement protection. The proposed terms of reference, work plan and time frame of the subcommittee were issued vide LC Paper No. CB(2)709/10-11(03) for members' reference.

6. While raising no objection to the proposals to appoint two

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subcommittees by the Panel, Ms LI Fung-ying was concerned about the workload of Panel members if these two subcommittees were operating concurrently. She therefore proposed to set a priority for the work of the two subcommittees. In her view, priority should be given to the Subcommittee on retirement protection.

7. Mr WONG Sing-chi said that the Government had undertaken to take forward the retrofitting programme for upgrading the barrier free access and facilities in existing Government premises and facilities, and that 3 306 Government premises/facilities would be retrofitted before 30 June 2012. Having regard to the tight schedule, he considered that priority should be given to the subcommittee on improving barrier free access and facilities for persons with disabilities ("PWDs") to commence its work first.

8. The Chairman advised that the Administration had agreed to provide a quarterly report on the implementation progress of the retrofitting programme, and the first quarterly report would be provided in April 2011. The Chairman then drew members' attention to Rule 26 of the House Rules regarding the activation of subcommittees on policy issues. As eleven subcommittees on policy issues were already in operation, the two subcommittees appointed by the Panel would be placed on the waiting list. Given that the Panel had already appointed a Subcommittee on Residential and Community Care Services for Persons with Disabilities and the Elderly, the Chairman invited members' views on whether the approval of the House Committee ("HC") should be sought for the activation of the subcommittees, and if so, the order of priority. In his view, priority would be given to the Subcommittee on retirement protection so as to urge the Government to kick off the subject as early as practicable.

9. Dr PAN Pey-chyau said that the proposal of implementation of universal retirement protection for all people in Hong Kong was an important and urgent matter, the approval of HC should be sought to activate the Subcommittee on retirement protection first.

10. After discussion, members agreed to seek the approval of HC for the activation of the two subcommittees in the following order of priority: (a) Subcommittee on retirement protection; and (b) Subcommittee on improving barrier free access and facilities for PWDs.

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V. Regularisation and extension of the Neighbourhood Support Child Care Project

[LC Paper Nos. CB(2)709/10-11(04) to (05)]

11. Principal Assistant Secretary for Labour and Welfare (Welfare)1 ("PAS(W)1") took members through the Administration's plan to regularise the Neighbourhood Support Child Care Project ("NSCCP") and extend its coverage to all 18 districts, as detailed in the Administration's paper. Assistant Director of Social Welfare (Family and Child Welfare) ("AD(F&CW)") then briefed members on the findings of the review on NSCCP as detailed in the Administration's paper.

12. Noting the notable increase in the number of service beneficiaries, Ms LI Fung-ying supported the Administration's proposal to regularise the NSCCP service. Ms LI pointed out that as the minimum wage legislation would come into force shortly, child carers should be paid no less than the minimum wage level. To this end, additional resources should be allocated for the enhancement of the projects.

13. PAS(W)1 advised that while additional resources would be provided for the service operators after the regularisation of NSCCP, the details of which would be worked out in finalising the implementation plan for the regularisation and extension of the NSCCP. PAS(W)1 pointed out that as NSCCP aimed to promote community participation and mutual assistance in the neighbourhood, home-based carers of NSCCP were volunteers and not employees of the service operators. Hence, they were provided with incentive payment at an hourly rate of \$18 to \$22. She added that at the sharing and focus group meetings organised for the review of NSCCP, home-based child carers generally expressed understanding that NSCCP was meant to be a mutual help support child care project rather than an employment project, and they were happy to be able to contribute to the community under the spirit of volunteerism.

14. Mr WONG Sing-chi said that in responding to his question raised at the Council meeting, the Secretary for Labour and Welfare ("SLW") had stated that the Administration would examine and introduce measures to enhance the operation of NSCCP service. However, he was disappointed to learn that the Administration had not addressed the concern about the employment status of and protection for the home-based child carers. In his view, regularising NSCCP would mean providing home-based child care services under the regular services of individual service operators. In

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addition, it was unambiguous that child care services under NSCCP were not volunteer work. In the circumstances, home-based child carers of NSCCP should be regarded as employees of the service operators and be remunerated on a par with the minimum wage level. Mr WONG took a strong view that the Administration should not set a bad example as an unscrupulous employer.

15. PAS(W)1 said that NSCCP comprised two service components, namely centre-based care groups for children aged three to under six; and home-based child care services for children aged under six. To her understanding, some centre-based child carers were employees of the service centres whereas home-based child carers taking care of children at their homes under home-based child carer service were not. As explained earlier, NSCCP was meant to be a mutual help support child care project rather than an employment project. As such, the service operators had no employment relationship with the home-based child carers.

16. Dr PAN Pey-chyou said that the meaning of employer-employee relationship was clearly spelt out in the Employment Ordinance. However, the Government had blurred the distinction between employment and volunteer work by treating home-based child carers under NSCCP as volunteers by paying them an hourly rate remuneration. In his view, the Administration should review the current arrangement. Dr PAN further said that although child carers under NSCCP were provided with incentive payment at an hourly rate of \$18 to \$22, it was observed that most of them received the minimum hourly rate of \$18. As such, he appealed to the Administration to ask the service operators to raise the minimum level of payment for child carers.

17. PAS(W)1 reiterated that as NSCCP aimed to foster mutual help and care in the neighbourhood, home-based child carers were volunteers and were provided with incentive payment. The Social Welfare Department ("SWD") would require service bidders to provide information on their proposed service charges and incentive payment and would fully consider in its assessment of proposals whether the level of incentive payment was reasonable.

18. Noting that more than 10% of service users of NSCCP were children aged six or above, Dr PAN Pey-chyou asked under what circumstances did they require the NSCCP service.

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19. AD(F&CW) said that service operators might provide temporary services to those aged six or above in exceptional circumstances, such as when the concerned child was still studying at kindergarten, or who had a younger sibling being taken care of by the same carer, or the parent of the child was unable to secure alternative child care arrangement.

20. Mr Albert CHAN commented that the provision of NSCCP by different non-governmental organisations deviated from the principle underpinning the implementation of the service mode of the Integrated Family Service Centres ("IFSCs"), i.e. to provide one-stop integrated services for families. He wondered why the NSCCP service was not delivered by IFSCs. As regards the NSCCP service, Mr CHAN was of the view that the regularisation of child care services could help relieve the demand for such services in the community and create more job opportunities at the neighbourhood level. However, the Administration should ensure that the home-based child carers were reasonably paid and insurance for both child carers and service users were taken out. He then asked about details of the insurance plan for child carers and service users, including the liabilities for work injuries and the level of compensation.

21. PAS(W)1 explained that NSCCP aimed to provide needy parents with more flexible child care service in the community, and service operators were required to have at least five years' experience in providing child care services; whereas the service mode of IFSCs and other children/youth centres served other designated purposes. The 11 NSCCP operators in the pilot stage included welfare organisations, women's groups, self-help groups and district organisations. At the request of Mr Albert CHAN, the Administration would provide information on the details of the insurance plans for home-based child carers and service users of NSCCP after the meeting.

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22. Mr LEE Cheuk-yan was of the view that home-based child carers were not volunteers. As child carers received payment for their services according to the hours of services provided, their relationship with the service operators was a de facto employer-employee relationship. As employment and women issues were under the purview of the Labour and Welfare Bureau ("LWB"), it should assume the overall responsibility to safeguard the interests of low-paid child carers under NSCCP by ensuring that they received the minimum wage level and were protected with employees' compensation insurance. To this end, the Administration should plug the loopholes of the existing undesirable arrangements and

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establish the employment relationship between the service operators and home-based child carers.

23. Mr Albert HO said that home-based child carers under NSCCP was within the meaning of "employees" in the light of the conditions of work imposed by the service operators, such as service hours, the number of children to be taken care of by a child carer. This was different from volunteer work to which volunteers would provide services flexibly according to their personal interests and availability. Mr HO took the view that the Administration should review the service mode and payment for home-based child carers to ensure that the latter was protected under the minimum wage requirement and employees' compensation insurance.

24. PAS(W)1 stressed that NSCCP aimed to provide parents with more flexible child care services in addition to the regular ones and at the same time promote community participation and assistance in the neighbourhood. NSCCP was not an employment project. PAS(W)1 advised that NSCCP was different from regular child care services. Since NSCCP aimed to foster mutual help spirit in the neighbourhood, a home-based child carer would, under normal circumstances, take care of not more than three children, including the carer's own child(ren). PAS(W)1 further advised that insurance costs had been included in the allocation provided by SWD to service operators. Currently, all the 11 service operators had provided public liability insurance for home-based child carers and service users, and nine of them had also provided group personal accident insurance.

25. Mr IP Wai-ming commented that the unclear relationship between service operators and home-based child carers was detrimental to the welfare and interests of the service users and the child carers. In addition, group personal accident insurance and public liability insurance for home-based child carers and service users was entirely different from the employees' compensation insurance in terms of coverage and premium. He was doubtful who should bear the responsibility in the event that the child carer sustained work injuries or the service user was injured under the care of the carer. To respond to the strong call from the community for home-based child care services, Mr IP took the view that the Administration should conduct an overhaul of the existing child care services with a view to providing home-based care services under NSCCP under the regular services and establishing the employment relationship between the service operators and child carers. To this end, the

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Administration should allocate additional resources for home-based child care services.

26. Mr LEUNG Kwok-hung held the view that home-based child carers under NSCCP was within the meaning of employees for the purpose of the Employment Ordinance. As such, these child carers should be provided with employees' compensation insurance.

27. PAS(W)1 said that NSCCP aimed to provide parents with more flexible child care services in addition to a wide range of regular child care services. AD(F&CW) added that the launch of NSCCP was responding to the call from the welfare sector for enhancing mutual help support child care services in the neighbourhood. In addition to taking care of their own children, home-based child carers could take care of one to two more children without leaving their home, and at the same time, receive incentive payment, and not wages. Responding to members' concern about the insurance taken out for child carers, AD(F&CW) said that home-based child carers are covered by public liability insurance in the event that the service users were injured under their care and most of the carers under the group personal accident insurance would also be eligible for compensation for personal injuries sustained in the course of delivering care.

28. Mr LEE Cheuk-yan pointed out that group personal accident insurance and public liability insurance covered claims for damages for negligence, instead of compensation for work injuries.

29. In concluding the discussion, the Chairman said that members considered the arrangement of regarding home-based child care service as volunteer work unacceptable, and strongly urged the Administration to recognise the employer-employee relationship between home-based child carers and the service operators. To put the relationship into the right perspective, home-based child carers under NSCCP should be remunerated according to the prevailing minimum wage level and protected with employee compensation insurance. The Chairman reckoned that an additional provision of \$10 million would be adequate for taking forward the proposal.

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VI. Further discussion on retirement protection in Hong Kong

[LC Paper Nos. CB(2)534/10-11(01) and CB(2)709/10-11(06) to (07)]

30. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the Administration's response to the motion passed by the Panel at its special meeting on 18 December 2010, as detailed in the Administration's paper.

31. Mr LEE Cheuk-yan sought clarification about the scope of review of the Mandatory Provident Fund ("MPF") System underway. SLW advised that the Mandatory Provident Fund Schemes Authority ("MPFA") was reviewing the minimum and maximum income levels for MPF contributions ("Min Max RI") and the restrictions on withdrawal of MPF accrued benefits. The MPFA would brief the Panel on the Financial Affairs on the Min Max RI at the meeting on 21 February 2011.

32. Mr LEE Cheuk-yan pointed out that the three-pillar model for retirement protection was inadequate for protecting the retirement life of all people, especially the low-income earners and the non-economically active labour force. On the front of safety net, some needy elderly had not applied for Comprehensive Social Security Assistance ("CSSA") for various reasons such as the requirement of making applications on a household basis. In addition, the low-income earners could hardly accumulate adequate savings for their twilight years when they were young. Mr LEE further pointed out that the MPF System could not benefit the current cohort of older persons, and did not cover people not participating in the workforce, such as housewives. Moreover, the MPF System was unsatisfactory since employers were allowed to offset the long service payments ("LSP") or severance payments ("SP") by the employers' contributions under the MPF Scheme.

33. SLW said that the three pillars under the current retirement protection model in Hong Kong were complementary to one another. For instance, the social security system in Hong Kong, comprising the CSSA Scheme, the Old Age Allowance ("OAA") and Disability Allowance ("DA"), channelled welfare resources to those most in need, including the elderly. The CSSA Scheme was the safety net for elders who could not support themselves financially. SLW reiterated that the Central Policy Unit ("CPU") was refining its study on the sustainability of the three-pillar model for retirement protection in Hong Kong having regard to the latest

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developments. These included the impacts of the financial tsunami on the household consumption and savings patterns, relaxation of the permissible absence from Hong Kong for OAA recipients as well as the proposed Health Protection Scheme. The findings would be deliberated further within the Administration.

34. Mr LEE Cheuk-yan disagreed with SLW's remarks on the need for CPU to refine its study in the light of the occurrence of financial tsunami, which, in his view, had minimal impacts on the low-income group.

35. Mr WONG Sing-chi considered that the MPF System was not a retirement protection scheme having regard to the fact that the retirement savings accumulated through contributions by both employers and employees was too meagre for the retirees to rely solely on it for a living, not to mention that the accrued benefits were offset by the payment of LSP or SP for some cases and that housewives were not covered under the MPF System. Given that there was a huge fiscal surplus, Mr WONG was strongly of the view that the Administration should implement without delay a universal retirement protection for all people in Hong Kong with contributions from the Government and deployment of assets from the MPF System. He then asked about the total value of assets accumulated under the MPF System.

36. Deputy Secretary for Financial Services and the Treasury (Financial Services) 2 ("DS(FS)2") said that as at the end of September 2010, around 2 500 000 employees and self-employed persons as well as 241 000 employers were participating in the MPF schemes. The total value of assets accumulated under the MPF System exceeded \$345.7 billion. Together with other retirement protection schemes, around 90% of the working population had participated in a retirement protection scheme. Since the implementation of the MPF System in 2000, the annualised internal rate of return of the MPF schemes was 5.1%, as compared with the change of the Consumer Price Index (0.4%) in the same period.

37. Responding to Mr WONG Sing-chi's concern about retirement protection for housewives, SLW said that the CSSA Scheme aimed to provide a safety net of last resort for those who could not support themselves financially. As explained earlier, CPU had looked into the subject of retirement protection, and was refining its study on the sustainability of the three-pillar model of retirement protection in Hong Kong having regard to the latest developments.

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38. Mr LEUNG Kwok-hung cast doubt about the effectiveness of the three-pillar model for retirement protection in Hong Kong. The Government should introduce measures to enhance the three-pillar model, for example, redistribution of income through tax reform. Mr LEUNG took a strong view that the Government should implement a universal retirement protection to better protect all elderly in Hong Kong. Should the Administration consider it unnecessary to implement a universal retirement protection scheme, it should give a full account for the considerations for not taking forward the proposal.

39. Referring to paragraph 5 of the Administration's paper, Ms LI Fung-ying said that she could not understand why CPU had to refine its study on the sustainability of the three-pillar model of retirement protection. Ms LI pointed out that as shown from the findings of surveys conducted by The University of Hong Kong in 2007 and the Hong Kong Polytechnic University in 2010, the majority of the respondents (i.e. 70% and 85% respectively) expressed support for the implementation of a universal retirement protection scheme. Moreover, some retired senior Government officials had expressed similar concerns on various public occasions. This apart, Members belonging to different political groupings had also expressed unanimous support for the proposal. In her view, in the absence of a universal retirement protection, the poor elderly would have to resort to CSSA in their twilight years. In view of the foregoing, Ms LI sought SLW's personal views on the proposal of implementing a universal retirement protection.

40. SLW stressed that the Administration attached great importance to the welfare of elders. The Government would not shirk its responsibility and would continue to provide assistance for the elderly and people in need. SLW explained that one of the main reasons why CPU had not yet released some of the findings was that some data required updating in the light of changes in the social and economic environments as well as the latest developments in relevant policies. The CPU considered it necessary to refine its study on the sustainability of the three-pillar model of retirement protection and make a new round of projections on the situation for retirees in 30 years' time. SLW assured members that in the course of refining the study, CPU would take account of the latest opinion in the community on retirement protection for the elderly. The Administration would seriously consider the findings of the study and other pertinent factors in deciding on any future course of action.

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41. Mr IP Wai-ming said that notwithstanding that the subject of universal retirement protection had been discussed at length in the community and various options had been put forward for discussion in the last decade, the Administration had turned a deaf ear to it. Given that there was no upward adjustment to the income of the lowest 10% income group in the past years, the low-income earners could hardly save for their retirement life. In the absence of a universal retirement protection scheme, they would need to rely on CSSA after retirement. As such, the Administration might need to study the sustainability of the CSSA Scheme having regard to the heavy reliance on the Scheme. Mr IP further said that he disagreed with the saying that CPU had to refine its study on retirement protection in the light of changes in the economic environment as economic fluctuations were not uncommon in the past decade.

42. SLW reiterated that CPU was refining its study on the sustainability of the three-pillar model of retirement protection in Hong Kong rather than conducting a fresh study. For instance, following an increase of the monthly OAA rate to \$1,000, CPU would require further examination of the latest developments on the accuracy of the projections made in the study.

43. Mr IP Wai-ming considered that the Administration should have examined in depth the policy and financial implications prior to making changes to the monthly rates of OAA. In his view, it was an excuse for delaying the release of CPU's findings and evading the Government's responsibility in enhancing the retirement protection for the elderly.

44. While expressing no objection to adopting a prudent financial management approach, Dr PAN Pey-chyou said that it was the Government's responsibility to protect the retirement life of the low-income earners and the housewives in recognition of their contributions to the community at large. He took the view that the Administration should put in place a concrete plan for retirement protection for all the people in Hong Kong.

45. SLW stressed that the Government attached great importance to the retirement protection in Hong Kong and was open-minded on any viable and sustainable options. The findings from the CPU study would be useful for projecting the situation of the elderly persons in 30 years' time, and hence were critical for the way forward for the retirement protection

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regime in Hong Kong. SLW said that the Government had been actively studying the retirement protection regime in Hong Kong. It issued in 1994 a consultation paper on the establishment of a mandatory contributory pay-as-you-go Old Age Pension ("OPS") scheme to provide better retirement protection for all elderly in Hong Kong. During the discussion on the proposal, public views were divided and the community was unable to reach a consensus. The MPF System was subsequently introduced after careful and extensive discussion in the community.

46. Mr Ronny TONG said that the Panel passed a motion at the special meeting on 18 December 2010 urging the Administration to, among other things, establish an inter-departmental task force to follow up the subject of implementing universal retirement protection for all people in Hong Kong. Should the Administration be disrespectful to the Panel's decision, the Administration should provide a full explanation on its stance. While noting that CPU was refining its study on the three-pillar model of retirement protection, Mr TONG sought clarification as to whether CPU would also study the viability of the proposal of universal retirement protection; and if not, what were the difficulties encountered for not doing so. Mr TONG further asked about the concrete timetable for releasing the CPU findings.

47. SLW said that as set out in the Administration's paper, CPU was refining its study on the sustainability of the three-pillar model of retirement protection in Hong Kong, which were complementary to one another. SLW further said that as the CPU study was ongoing, the Administration saw no need to establish an inter-departmental task force on the subject at the moment. As regards the timetable for the CPU study, SLW understood that CPU would submit updated findings to the Government next year.

[To allow sufficient time for discussion, the Chairman suggested and members agreed to extend the meeting for 10 minutes.]

48. Referring to SLW's earlier remarks on the public consultation on the OPS scheme, Mr LEUNG Yiu-chung queried the basis for the Administration drawing the conclusion that the community was unable to reach a consensus on the proposal. Mr LEUNG said that having regard to the shortcomings in the three-pillar model for retirement protection and the fact that the subject matter straddled various policy purviews, the Administration should immediately set up an inter-departmental task force

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to study the proposal of universal retirement protection.

49. SLW advised that during the discussion in the mid-1990s over the possibility of setting up an OPS scheme, while some members of the public gave support to the proposal, others considered it unfair because of a lack of relationship between benefits and contributions. Some also claimed that the OPS scheme would shift the burden of old age protection from individual/family to society. There was also concern that the OPS scheme did not target assistance at those in need, involving also a question of inter-generational equity. It was against the aforesaid background that the MPF System was introduced to be one of the pillars for retirement protection. SLW stressed that the Administration did not rule out the feasibility of studying the proposal of implementing universal retirement protection. As explained earlier, as the CPU study was ongoing, the Administration would consider the findings and projections of the study and other pertinent factors such as how to ensure the sustainable development of the social security system, in deciding the future course of action.

50. Mr LEE Cheuk-yan expressed dissatisfaction at the lack of retirement protection for the elderly and the inefficacies of the MPF System. In the absence of an inter-departmental task force, he asked which bureau would assume the overall responsibility for reviewing the offsetting arrangement under the MPF System. In his view, both LWB and the Financial Services and the Treasury Bureau ("FSTB") were evading their responsibilities for the review of the offsetting arrangement. Mr LEE considered that the unduly long time taken for the CPU study was unacceptable as the delay in the implementation of universal retirement protection would further undermine the welfare of the needy elders.

51. DS(FS)2 said that the offsetting arrangement had been discussed at length and was a compromise among the parties concerned when the legislative proposals on the MPF System were scrutinised by the Legislative Council. Instead of proposing changes to the established arrangement unilaterally, the proposal of revising the offsetting arrangement would need to be discussed thoroughly by the parties concerned.

52. SLW said that LWB and FSTB maintained close communication and co-operation on issues of mutual concern. SLW assured members that the relevant bureaux would follow up duly the findings and recommendations

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of the CPU study.

53. In concluding the discussion, the Chairman said that although the Government considered it unnecessary to set up an inter-departmental task force to study the implementation of the proposal on universal retirement protection, the Panel would seek the approval of HC for activation the Subcommittee on retirement protection. Members might wish to follow up the issues of concern at future meetings of the subcommittee.

VII. Any other business

54. There being no other business, the meeting ended at 12:57 pm.

Council Business Division 2
Legislative Council Secretariat
8 March 2011