

Submission to the Subcommittee on Retirement Protection

Research Report on Future Development of Retirement Protection in Hong Kong

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Chairman,

In a society where an ageing population is prevalent, but which established its foundation on self-governance and individual responsibility, we must define and determine how far the government should take on the responsibility for their citizens' retired days.

How we pay our elderly today will affect Hong Kong's welfare system from today onwards, regardless of changes in Hong Kong future demographics.

Two fundamental problems preside with the eligibility of our current welfare system:

First, asset and income assessments are inconsistent. When we measure poverty, we exclude assets, while allowing or denying welfare we take assets into account.

Under such calculations, one who buys non-dividend stocks and therefore declare zero income, will be classified to be in poverty.

Second, we are raising a new generation of people who has caught on to cheating the system, especially in public housing. Cheating the system is as easy as simply not declaring one's income. And thanks to the government, who do not examine their records, young individuals can exploit the system with no repercussions. Cross generational sharing of public housing has been on the rise, where parents cease to declare their children as residents in their public homes, so their children can easily apply for public housing on their 18th birthdays.

Also, assets owned beyond the borders of Hong Kong are not checked. Many individuals owning property in Southern Mainland China openly brag about their abilities to cheat successfully with no repercussion. The Housing Authority continues to grant public housing to these individuals without doing the crucial checks.

What we need here is a recalculation of poverty and welfare needs in Hong Kong, and tighter control on applicant background checks. The deterioration of welfare stringency is detrimental to Hong Kong, a place prided for economic freedom, low taxes and self-sufficiency. I am anxious whether the Social Welfare Department will uphold our free market values, or disappoint.