

**立法會**  
**Legislative Council**

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by the Administration)

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**Subcommittee on Retirement Protection**

**Minutes of meeting**  
**held on Monday, 19 December 2016, at 4:30 pm**  
**in Conference Room 2 of the Legislative Council Complex**

**Members present** : Hon KWOK Wai-keung (Chairman)  
Hon Jimmy NG Wing-ka, JP (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon Starry LEE Wai-king, SBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung  
Hon YIU Si-wing, BBS  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Alvin YEUNG  
Hon CHU Hoi-dick  
Dr Hon Junius HO Kwan-yiu, JP  
Hon HO Kai-ming  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon HUI Chi-fung  
Hon LUK Chung-hung  
Hon KWONG Chun-yu  
Dr Hon LAU Siu-lai

**Members absent** : Hon WONG Kwok-kin, SBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Andrew WAN Siu-kin  
Hon Nathan LAW Kwun-chung

**Public Officers attending** : Item I

Mr Matthew CHEUNG, GBS, JP  
Secretary for Labour and Welfare

Mr Donald CHEN, JP  
Deputy Secretary for Labour and Welfare (Welfare) 2

Ms Eugenia CHUNG  
Principal Assistant Secretary for Labour and Welfare  
(Poverty)

Miss Patsy CHENG  
Director, SEE Network Limited

Miss Phoebe CHAU  
Project Manager, SEE Network Limited

Dr Rikkie YEUNG  
Research Adviser, SEE Network Limited

**Clerk in attendance** : Miss Betty MA  
Chief Council Secretary (2) 1

**Staff in attendance** : Ms Rita LAI  
Senior Council Secretary (2) 1

Ms Kiwi NG  
Legislative Assistant (2) 1

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## **I. Update on the latest development of the public engagement exercise on retirement protection**

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. With the aid of powerpoint presentation, Miss Patsy CHENG of SEE Network Limited ("the Consultant") briefed members on the report of the six-month public engagement exercise on retirement protection launched by the Commission on Poverty ("CoP") in December 2015 ("the Consultation Report").

*(Post-meeting note: The powerpoint presentation materials were tabled at the meeting and circulated to members vide LC Paper No. CB(2)469/16-17(01) on 20 December 2016.)*

3. Members expressed dissatisfaction that no specific recommendations on how to improve the retirement protection system had been put forward in the Consultation Report. Some members held the view that it was a delaying tactic adopted by the Administration in implementing universal retirement protection. Noting that the majority views of written submissions received in the public engagement exercise (i.e. over 90%) was in support of a non-means-tested universal retirement protection option, some members were of the view that the Administration should focus its work on the financial arrangements for implementing a non-means-tested universal retirement protection scheme.

4. Some other members echoed the strong view expressed in the public engagement exercise that the arrangement of offsetting severance payments and long service payments against accrued benefits of the Mandatory Provident Fund, which had undermined the retirement protection function for the working population, should be abolished. Query was raised about the rationale for adopting qualitative data analysis to record and analyze views gathered from the public engagement exercise. It was also pointed out that the sampling size of the focus group discussions was too small and the participants, who were randomly selected, had limited knowledge on the subject. Some members also cast doubt as to whether the Administration had given directional guidance to the consultancy firm with regard to the drafting of the Consultation Report as reported by the media.

5. In response, the Secretary for Labour and Welfare made the following points:

- (a) the Administration attached great importance to improving the well-being of the elderly. The current term Government was committed to formulating policy directions on various important issues on retirement protection;
- (b) the public views collected during the public engagement exercise showed a wide spectrum of views on the subject of retirement protection. Views were divided as to whether the "regardless of rich or poor" or "those with financial needs" principle should be adopted to improve the retirement protection system;
- (c) it was a normal interactive process for the Administration to exchange views and verify with the Consultant about the data and findings upon receipt of the first draft Consultation Report. The Consultation Report had been uploaded to the dedicated website of CoP and the thematic website of the public engagement exercise on retirement protection for public reference, and all submissions received during the consultation period would also be uploaded to the website as soon as possible; and
- (d) the Administration was actively formulating policy recommendations and would make an overall policy response on retirement protection in the Chief Executive's 2017 Policy Address to be delivered on 18 January 2017.

6. The Consultant said that the Consultation Report, which was independently made, recorded and analyzed public views collected during the public engagement exercise on various important issues on retirement protection. Given the complex nature of the subject of retirement protection, it was considered appropriate to adopt a qualitative data analysis approach in consolidating the views collected during the public consultation. Such analysis of views would be useful in assisting the formulation of relevant government policy.

7. Dr Rikkie YEUNG, Research Adviser of SEE Network Limited added that the Consultant had been tasked to conduct qualitative data analysis of views so collected from the public engagement exercise when it was commissioned. She informed Members that public views on the subject were expressed through written submissions, focus groups, public forums and consultation sessions. Apart from the above, in-depth interviews had been conducted during focus group discussions and the participants had been randomly selected with a view to obtaining objective views on the subject.

8. There being no other business, the meeting ended at 6:46 pm.

Council Business Division 2  
Legislative Council Secretariat  
25 January 2017

**Proceedings of meeting of the  
Subcommittee on Retirement Protection  
held on Monday, 19 December 2016, at 4:30 pm  
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s) / Discussion	Action Required
<i>Agenda item I - Update on the latest development of the public engagement exercise on retirement protection</i>			
000000 - 000852	Chairman	Opening remarks	
000853 - 003934	Chairman Admin Miss Patsy CHENG, Director, SEE Network Limited ("the Consultant")	<p>Briefing by the Administration on the discussion of the Commission on Poverty ("CoP") on the report of the six-month public engagement exercise on retirement protection launched in December 2015 ("the Consultation Report") (LC Paper No. CB(2)432/16-17(01)).</p> <p>The Administration's advice that the Consultation Report had been drawn up independently.</p> <p>Powerpoint presentation by the Consultant on the arrangements for collection of views in the public engagement exercise, and content of and analysis in the Consultation Report.</p>	
003935 - 004519	Chairman Mr LUK Chung-hung Admin	<p>Mr LUK Chung-hung's disappointment that the Administration did not have a clear stance on how to improve the retirement protection system, notwithstanding completion of the "Study on retirement protection in Hong Kong" conducted by a consultancy team led by Professor Nelson CHOW in 2013 and the public engagement exercise.</p> <p>Mr LUK's remarks that in the light of the majority views collected in the public engagement exercise (i.e. over 90%) was in support of a non-means-tested universal retirement protection option, the Administration should focus on the financial arrangements of this option.</p> <p>The Administration's response that the public views collected through different channels during the public engagement exercise showed a wide spectrum of views on retirement protection. The Administration was actively formulating</p>	

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		<p>policy recommendations and would make an overall policy response on retirement protection in the upcoming Chief Executive ("CE")'s 2017 Policy Address.</p>	
004520 - 005034	<p>Chairman Mr HO Kai-ming The Consultant Dr Rikkie YEUNG, Research Adviser, SEE Network Limited ("the Research Adviser")</p>	<p>Responding to Mr HO Kai-ming's enquiry, the Consultant advised that among 18 365 written submissions received in the public engagement exercise, about 90% or 16 830 written submissions were in support of universal retirement protection and were presented in seven standard proformas.</p> <p>The Research Adviser's elaboration on the qualitative data analysis in respect of views collected from written submissions, public forums, consultation sessions and focus group discussion during the public engagement exercise. Participants of focus group discussion were randomly selected with a view to obtaining objective views on the subject.</p> <p>The Consultant's response to Mr HO's enquiry about the findings in the Consultation Report regarding the arrangement of offsetting severance payments and long service payments against accrued benefits of the Mandatory Provident Fund ("MPF") ("the offsetting arrangement").</p>	
005035 - 005810	<p>Chairman Mr LEUNG Yiu-chung The Consultant</p>	<p>Mr LEUNG Yiu-chung's dissatisfaction at the lack of specific recommendations in the Consultation Report. His view that the public engagement exercise was a delaying tactic to implement universal retirement protection.</p> <p>Mr LEUNG's disagreement with deliberating the subject of retirement protection under the purview of CoP. His remarks that instead of focusing on addressing the need of vulnerable elderly, universal retirement protection should be provided to every citizen in recognition of their past contribution to the society and therefore the "regardless of rich or poor" principle should be adopted.</p> <p>Mr LEUNG's view that the MPF system should be abolished and his concern about lack of</p>	

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		<p>information on the related views gathered from the public engagement exercise in the Consultant's powerpoint presentation.</p> <p>The Consultant's clarification that there was a strong view on abolition of the MPF system in the public engagement exercise, which was set out in the Consultation Report.</p>	
005811 - 010912	<p>Chairman Dr LAU Siu-lai The Consultant The Research Adviser</p>	<p>Dr LAU Siu-lai's criticism of the employment of qualitative data analysis to analyse the public views gathered from the public engagement exercise and the drawbacks of such approach.</p> <p>Referring to media reports on the Administration's intervention of the preparation of the Consultation Report, Dr LAU cast doubt about the independent role of the Consultant and directional guidance given by the Administration in drafting the Consultation Report. Her request that exchange of views between the Administration and the consultancy firm with regard to drafting the Consultation Report be made public.</p> <p>The Consultant's stress of professionalism and independence of the Consultant in the preparation of the Consultation Report.</p> <p>The Research Adviser's advice that the Consultant had been tasked to conduct qualitative data analysis when it was commissioned to undertake the public engagement exercise. Her further elaboration on the methodology of random sampling for selecting participants of focus group discussion.</p>	
010913 - 011436	<p>Chairman Mr Alvin YEUNG The Consultant</p>	<p>The Consultant's response to Mr Alvin YEUNG's enquiry as to whether any views concerning the administration cost for implementing a means-tested retirement protection scheme had been expressed during the public engagement exercise. Mr YEUNG's view that financial provision earmarked for administration cost could be redeployed for further improving the retirement protection of the elderly under a non-means-tested scheme.</p>	



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011437 - 012022	Chairman Dr Fernando CHEUNG Admin	<p>Dr Fernando CHEUNG's grave concern that one-third of the elderly were living below the poverty line in spite of various cash assistance schemes in place for the elderly.</p> <p>Dr CHEUNG recognized the Consultation Report had enriched the understanding of public views on retirement protection. However, he also pointed out that both qualitative and quantitative researches had already been conducted in the past few years. He did not see the need to conduct the public engagement exercise, which, in his view, was a delaying tactic adopted by the Administration in implementing a universal retirement protection scheme.</p> <p>Dr CHEUNG's concern that it might not be viable for the current term Government to implement any specific retirement protection option. His enquiry about whether the Administration would consider increasing the monthly amount of Old Age Living Allowance ("OALA") to \$3,000 in the first instance.</p> <p>The Administration's reiteration that its efforts to improve retirement protection would not come to a standstill. CE would give the policy direction and concrete measures for improving the retirement protection system in the upcoming Policy Address in January 2017.</p>	
012023 - 012728	Chairman Dr CHIANG Lai-wan	<p>Dr CHIANG Lai-wan's concern about various financial needs facing the elderly after retirement in the light of the longer life expectancy. As such, a three tier retirement protection proposal had been put forward during the public engagement exercise by the Democratic Alliance for the Betterment and Progress of Hong Kong. In her view, the Administration should consider relaxing the eligibility criteria for the proposed old age pension or increasing the amount for target elderly as necessary.</p>	
012729 - 013253	Chairman Dr KWOK Ka-ki The Consultant Admin	<p>Dr KWOK Ka-ki's question on whether the Consultant would recommend adopting the "regardless of rich or poor" approach, having regard to the majority of public views collected</p>	

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		<p>during the public engagement exercise were in support of a universal retirement protection scheme.</p> <p>The Consultant's agreement with the broad direction that there was a need to address the retirement need of another 50% of the elderly who did not rely on the Comprehensive Social Security Assistance and OALA Schemes under the existing retirement protection system.</p> <p>Dr KWOK's grave concern that it would not be viable for the current term Government to complete the legislative work for any universal retirement protection proposal.</p> <p>The Administration's advice that it attached great importance to various issues on retirement protection. Its reiteration that CE would give the policy direction and concrete measures for improving the retirement protection system in the upcoming 2017 Policy Address. Its emphasis on Hong Kong's multi-pillar retirement protection system, including provision of heavily subsidized public services like public housing, healthcare, and residential and community care services to meet various needs of the elderly.</p>	
013254 - 014040	Chairman Mr SHIU Ka-chun Admin	<p>Mr SHIU Ka-chun's enquiries/concerns and the Administration's response regarding the following:</p> <p>(a) when it was decided that qualitative data analysis would be adopted to record and analyse the views collected during the public engagement exercise;</p> <p>(b) when it was decided that the Consultation Report would be regarded as a public sentiments report and how it would play a role in the formulation of government policy;</p> <p>(c) when it was decided that the Government would set out its policy recommendations for retirement protection in CE's 2017 Policy Address without consulting CoP beforehand on the various recommendations; and</p>	

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		<p>(d) how the Administration communicated with the Consultant during the preparation of the draft Consultation Report for CoP's consideration and whether such exchange of views would be made public.</p> <p>The Administration's stress of the professional independence of the Consultant in preparing the Consultation Report. CoP members could not reach consensus over the adoption or otherwise of a universal retirement protection scheme. CoP had considered the Consultation Report and agreed to release it to the public.</p>	
014041 - 014546	Chairman Mr CHU Hoi-dick Admin	Mr CHU Hoi-dick's view that the universal retirement protection scheme could be pressed ahead if the majority of Members expressed support for the proposal. He therefore strongly appealed to Members, irrespective of their political affiliation, to support the universal retirement protection proposal and vote against the Budget for 2017-2018 in the event that the Administration decided not to implement the proposal.	
014547 - 015053	Chairman Mr CHAN Chi-chuen The Research Adviser Admin	<p>Mr CHAN Chi-chuen's criticism that the Administration had a preconceived stance over the subject of retirement protection prior to launching the public engagement exercise.</p> <p>Mr CHAN's query about the Administration's directional guidance by naming the universal retirement protection as the "regardless rich or poor" option. At the invitation of Mr CHAN, the Research Adviser advised that it would be more neutral to describe it as a non-means-tested option.</p> <p>The Administration's response that it was not in a position to respond to Mr CHAN's supposition that an enhanced OALA version with relaxation of asset criteria would be set out in CE's 2017 Policy Address to address the retirement protection issue.</p> <p>The Administration's stress that the scope of the public engagement exercise on retirement protection was comprehensive, covering various</p>	

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		<p>pillars of the existing retirement protection system. The policy direction and related measures for improving the retirement protection system, which would be set out in the upcoming Policy Address, would address concerns over various important issues on retirement protection, including the MPF offsetting arrangement.</p> <p>Mr CHAN's appeal to Members belonging to the pro-establishment camp to give support for a non-means-tested universal retirement protection option.</p>	
015054 - 015650	<p>Chairman Mr KWONG Chun-yu The Consultant Admin</p>	<p>The Consultant's response to Mr KWONG Chun-yu's concern about whether the Consultant had faced any pressure when drafting the Consultation Report as reported by the media.</p> <p>The Administration's response to Mr KWONG's enquiry about the adoption of qualitative data analysis in consolidating the views collected during the public engagement exercise.</p>	
015651 - 020155	<p>Chairman Mr POON Siu-ping The Consultant</p>	<p>Mr POON Siu-ping's enquiries and the Consultant's response in respect of the following:</p> <p>(a) whether the Consultant had made concrete recommendations on the offsetting arrangement in the Consultation Report; and</p> <p>(b) weightings between the 1 418 expression of views and the 18 365 written submissions received during the consultation period in the analysis and findings in the Consultation Report.</p>	
020156 - 020736	<p>Chairman Mr LEUNG Kwok-hung</p>	<p>(The Chairman directed that the meeting be extended to 6:45 pm.)</p> <p>Mr LEUNG Kwok-hung's grave concern that one-third of the elderly were living in poverty in spite of provision of various kinds of elderly benefits by the Government. His criticism that it was attributed to the policy of high land price and low wage level in the past years. As such, it was incumbent upon the Government to improve the retirement protection of the elderly.</p>	

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		Mr LEUNG's strong view that quantitative data analysis should have been adopted for preparing the Consultant Report.	
020737 - 021305	Chairman The Consultant Admin	<p>The Chairman's disappointment that no specific recommendations for improving the retirement protection system, including the offsetting arrangement, had been made in the Consultation Report. He considered that it failed to meet the expectation of the public.</p> <p>The Chairman's further view that while the Administration was concerned about the sustainability of a universal retirement protection scheme, it should squarely address the imminent needs of retirement protection of the elderly. His remarks that MPF could not perform its retirement protection function for most MPF scheme members and their families.</p> <p>The Consultant's view that using qualitative data analysis to record and analyse views gathered from the public engagement exercise was appropriate in the light of the divergent views expressed and complex nature of the subject matter. Such analysis of views would be useful in assisting the formulation of relevant government policy.</p> <p>The Administration reiterated that it attached great importance to the well-being of the elderly and would give due consideration to the Consultation Report. Details of the policy direction would be set out in CE's 2017 Policy Address.</p>	