

**Summary of the views expressed at
the Fourth Meeting of
the Committee on Social Development and Quality of Life
of the Commission on Strategic Development
held on 6 July 2006**

The Chairman welcomed Members to the meeting.

Matters Arising from the Last Meeting

2. The Chairman reported that the second workshop on population policy had been held on 30 May 2006. Two speakers (Professor Nelson Chow and Dr Joe Leung) were invited to make presentations at the workshop on ageing population, and eligibility and portability of public benefits. The summary of views expressed at the workshop had been distributed to Members for reference and uploaded to CSD's web page.

3. The Secretariat had referred Members' views on the draft document "Public engagement process on priority area of population policy" to the Council for Sustainable Development for consideration.

Population Policy - An Overview of Key Population Policy Issues (Part II): Major Issues on Ageing and Eligibility and Portability of Public Benefits (Paper Ref: CSD/SC/5/2006)

Ageing Population

4. Members generally agreed that ageing population would become a major challenge to the community in the years to come. Our population age profile was at a transitory stage moving towards an ageing structure. They considered that it would be unrealistic to reverse the overall ageing trend of Hong Kong. As childbearing was a personal decision, it might be difficult to achieve major results in promoting parenthood through Government efforts within a short period of time. Instead, some Members highlighted the importance of attracting talents, in particular the young ones, to stay and develop their career in Hong Kong. Members opined that it was necessary to improve the quality of local environment, particularly the air quality, and the education system in Hong Kong so as to attract talents coming to Hong Kong. A Member also viewed that the Government should identify specific types of talents that

were mostly needed for the development of Hong Kong, i.e. with appropriate language skill and international exposure, and implement proactive measures to attract those talents.

5. As regards the quality of population, some Members expressed concerns on the quality of the new arrivals admitted under the One-Way Permit scheme. Members suggested the Government to provide adequate support, e.g. training programmes, to help the new arrivals adapt to the life in Hong Kong.

Managing the Ageing Trend

6. Members generally considered it important to promote the concept of positive ageing in a proactive manner. It should involve providing adequate support to elderly people in enhancing their quality of life in terms of financial, physical and psychological aspects. Members also expressed concerns on the increasing public expenditures on public healthcare and welfare benefits related to elderly people.

7. The following highlighted the specific measures suggested by Members to promote positive ageing –

- (a) to encourage elderly people to continue contributing to the society after retirement through various types of activities, including voluntary and paid work. A Member suggested to promote “tripartite partnership” among the Government, private sector and non-government organizations in encouraging voluntary work among elderly people;
- (b) to ensure that elderly people would have adequate financial support for their retirement life, and to educate the general population about the importance of financial planning for retirement as early as possible. This would be particularly relevant to housewives, who normally had a relatively long life expectancy, but with little retirement protection plan cover;
- (c) to enhance the retirement protection for employees under the Mandatory Provident Fund (MPF). A Member suggested the Government to make an equal amount of

contribution as the employers to employees' accounts. Other Members cautioned that such move would have major financial implications to the government. Another Member proposed to review the age criteria of withdrawal of MPF;

- (d) to promote lifelong learning and “university for elderly” so as to enhance the employability and competitiveness of the elderly people as well as their psychological health;
- (e) to develop community-based healthcare services for elderly people at district level so as to reduce the burden of the elderly occupying public hospital bed spaces over a long period of time. This had proved to be an effective means in the 2003 SARS period. In parallel, it was necessary to develop the “silver-hair” market on the provision of elderly-related services, including healthcare and medical services, recreational facilities, and interest groups activities to enhance the quality of living of the elderly people;
- (f) to promote a barrier-free physical and living environment to elderly people through town planning and building design codes to facilitate the access of the elderly to housing and public facilities. Renewal of older urban areas should emphasize more on rehabilitation than on redevelopment. The Government should also consider providing incentives to private developers to provide residential estates for the elderly people at a concessionary rate. This could help preserving the community and social network of the elderly; and
- (g) to prohibit age discrimination by legislation.

8. Many Members supported the idea to reinforce traditional family values, including mutual support among family members and the virtue of younger generation to take care of the older ones, through publicity and public education. Members also pointed out that elderly people could also provide valuable assistance to their family members in taking care of young children. This would not only alleviate the burden of

the young couples, but also help enhance the relationship between the two generations.

Extension of Retirement Age

9. Whilst noting that there was no mandatory retirement age in Hong Kong, some Members agreed that a more flexible retirement age arrangement should be promoted. They did not support a mandatory retirement age to be stipulated by legislation. Some Members proposed to promote a general extension of retirement age. They pointed out that in view of the changing job nature from labour-intensive to knowledge-based jobs, the working population should stay longer in the job market. With a longer life expectancy, people at their age of 60 were generally still physically, mentally and intellectually fit for work. The Government, as the largest employer in Hong Kong, should take the lead as a role model by extending the retirement age of the civil servants. Some Members highlighted the need to introduce new modes of flexible working arrangement e.g. reduced work and reduced pay to lower the cost of hiring older workers.

10. However, some Members were concerned that extending the retirement age of the elderly would affect the promotion opportunities of the younger generation. A Member also did not see the immediate need to extend the civil servants retirement age. Some worried that a rigid approach of increasing the retirement age across the board might increase the operational cost of the business sector as older workers were usually the highest paid workers. They argued that the private sector would naturally respond to their own operational needs to retain those older workers who were valuable to their business. There was no need for the public sector to impose any retirement age on the workforce. A Member noted that the business sector had already adopted new practices such as knowledge management technique to retain the experience, knowledge and skill of the employees before their retirement.

Eligibility and Portability of Public Benefits

11. As regards the eligibility of public benefits, a Member viewed that based on the principle of fairness, returned migrants should be required to demonstrate their intention to reside in Hong Kong before they were eligible for the public benefits. However, a Member opined that a review on eligibility of public benefits might create unnecessary speculation and

anxiety of Hong Kong residents who had migrated to other countries. Some Members considered that more studies should be conducted on this subject before one could provide an answer to the issue.

12. It was also pointed out that Hong Kong had a low tax regime but was relatively generous on provision of public benefits. The Government might need to review the healthcare financing and tax system to ensure a reasonable allocation of public resources. One Member cautioned against extending the public benefits to Hong Kong residents residing outside Hong Kong as it would change the existing principle of providing public benefits only to eligible residents residing in Hong Kong.

13. The majority of the Members had no objection to the arrangement of the Portable Comprehensive Social Security Assistance Scheme for elderly people. They opined that the Scheme could enhance the living quality of the elderly without adding extra financial burden to the Government. However, Members generally expressed reservation on further extension of the portability arrangement to other public benefits.

Others

14. A Member commented that population policy cut across a number of policy areas and the options would be different depending on what projection of demographic and socio-economic parameters had been adopted. It would therefore be difficult for the government to predict and decide on specific measures well in advance. The Government should set short-, medium-, and long-term objectives in formulating population-related policies, and conduct necessary reviews and fine-tuning regularly according to the changing circumstances.

15. The Chief Secretary for Administration made the following comments:

- (a) On healthcare financing, the Government was conducting detailed studies on possible financing options. Upon completion of the work, the Government would consult the public accordingly;
- (b) Members noted that Hong Kong would be facing the challenge of ageing population. A number of major issues had been highlighted to enhance the quality of life

of the elderly people, including retirement protection, healthcare financing, active ageing, etc. All these issues would require major public resource input and would have a direct impact on the taxation system of Hong Kong, which warranted further studies;

- (c) As regards the retirement age, Members generally agreed that a more flexible approach should be adopted, particularly in the private sector, and no mandatory retirement age should be stipulated by legislation;
- (d) On employment of elderly people, Members also considered that more flexible arrangements in terms of mode of work and conditions for employment should be promoted to facilitate the elderly to continue to stay in or re-enter the labour market;
- (e) Some Members had suggested strengthening public education and promoting public awareness on the importance of financial and healthcare protection planning before they were going to retire;
- (f) Members also highlighted the importance of reinforcing traditional family values, in particular promoting mutual support between the elderly and their younger generation. This issue would be relevant to the discussion on “Support for the family” at the next Committee meeting to be held in September; and
- (g) In formulating population policy, we should be mindful of the changing challenges over different periods of time. This was mainly due to the changing socio-economic and demographic characteristics of our population over time. For example our population would become more educated and with the introduction of the Mandatory Provident Fund system in 2000 our population should also be better protected financially in the longer term.

16. The Chairman pointed out that the Council for Sustainable Development had just commenced their public engagement process on population policy. The Council would prepare a report by end of this year.

Should Members consider it necessary to further discuss issues related to population policy arising from the process, the Secretariat would make necessary arrangements accordingly.

17. The attendance list of the participants is at Annex.

Secretariat to the Commission on Strategic Development
August 2006

策略發展委員會
社會發展及生活質素委員會第四次會議
2006 年 7 月 6 日

Fourth Meeting of
the Committee on Social Development and Quality of Life
of the Commission on Strategic Development
6 July 2006

出席人士

Attendance List

主席 :

Chairman :

The Chief Secretary for Administration

政務司司長

官方委員 :

Official Members :

Head, Central Policy Unit

中央政策組首席顧問

Director, Chief Executive's Office

行政長官辦公室主任

非官方委員 :

Non-Official Members :

Dr CHAN Kin-keung, Eugene

陳建強醫生

Mr CHAN Siu-hung

陳紹雄先生

Prof CHANG Hsin-kang, G.B.S., J.P.

張信剛教授, G.B.S., J.P.

Mr CHENG Wai-sun, Edward, J.P.

鄭維新先生, J.P.

Mr DING Wai-chuen, Raphael

丁偉銓先生

Dr HUI Ka-wah, Ronnie

許家驊醫生

Ms KAO Ching-chi, Sophia, J.P.

高靜芝女士, J.P.

Miss KI Man-fung, Leonie, J.P.

紀文鳳女士, J.P.

Mr LAI Kwong-tak, Albert

黎廣德先生

The Hon LAU Kong-wah, J.P.

劉江華議員, J.P.

Dr LAW Chi-kwong, S.B.S., J.P.

羅致光博士, S.B.S., J.P.

Mr LAW Kin-chung, Christopher
Ms LAW Suk-kwan, Lilian
Mrs LAW SHING Mo-han, Yvonne
Mr LEE Chung-tak, Joseph, B.B.S., J.P.
Dr LO Wing-lok, J.P.
Ms MAR Yuet-har, B.B.S., M.H.
Prof NG Ching-fai, G.B.S.
Mr SHIH Wing-ching, J.P.
Mr SZE, Kyran
Mr TAI Hay-lap, B.B.S., J.P.
Ms TAM Siu-ying, Iris, J.P.
Mr TIK Chi-yuen, J.P.
Mr WONG Kwok-keung, Peter, J.P.
Mr WONG Sau-ching, M.H.
Mr WONG Ying-wai, Wilfred, J.P.

羅健中先生
羅淑君女士
羅盛慕嫻女士
李宗德先生, B.B.S., J.P.
勞永樂醫生, J.P.
馬月霞女士, B.B.S., M.H.
吳清輝教授, G.B.S.
施永青先生, J.P.
施家殷先生
戴希立先生, B.B.S., J.P.
譚小瑩女士, J.P.
狄志遠先生, J.P.
王國強先生, J.P.
黃守正先生, M.H.
王英偉先生, J.P.

列席

In Attendance

Miss SO Pik-shan, Linda
Senior Administrative Officer (Sustainable
Development)2, Administration Wing,
Chief Secretary for Administration's Office

Mrs WONG HO Ka-lai, Carrie
Chief Executive Officer (Pensions)
Civil Service Bureau

政務司司長辦公室行政署高級
政務主任(持續發展)2
蘇碧珊女士

總行政主任(退休金)
公務員事務局
黃何嘉麗女士

因事未能出席

Apologies

非官方委員 :

Non-Official Member :

Ms CHAN Yu

Dr CHAN WONG Lai-kuen, Anissa, M.H.

Prof CHIU Wing-kai, Stephen

Mr HEUNG Cheuk-kei, Daniel, S.B.S., J.P.

Prof LAM Shun-chiu, Dennis, J.P.

The Hon LEUNG Yiu-chung

Ms LOH Kung-wai, Christine

Dr NG Cho-nam, B.B.S.

Prof POON Chung-kwong, G.B.S., J.P.

Mr PUI kwan-kay, M.H.

Mr SO Kam-leung, Gregory, J.P.

Mr WONG Kwok-kin

Mr YUNG Wing-ki, Samuel, M.H.

陳 瑜女士

陳黃麗娟博士, M.H.

趙永佳教授

香灼璣先生, S.B.S., J.P.

林順潮教授, J.P.

梁耀忠議員

陸恭蕙女士

吳祖南博士, B.B.S.

潘宗光教授, G.B.S., J.P.

貝鈞奇先生, M.H.

蘇錦樑先生, J.P.

黃國健先生

容永祺先生, M.H.