

**Summary of views expressed
at the Workshop
for the Committee on Social Development and Quality of Life
of the Commission on Strategic Development
held on 30 May 2006**

The workshop was to provide a platform for Members to exchange views on population policy issues related to ageing and eligibility and portability of public benefits so as to facilitate their discussion on the subject in the coming Committee meeting in July 2006.

2. Two speakers gave presentations on the following topics:

Professor Nelson Chow of
the University of Hong
Kong

“Policies and Practices in
Selected Countries in respect
of Retirement Age and Their
Applicability to Hong Kong”

Dr Joe Leung of the
University of Hong Kong

“Eligibility and Portability of
Public Benefits”

Presentation materials have been distributed to Members for reference.

3. Salient points of discussion following the presentations were summarised in the ensuing paragraphs.

Ageing Population

Retirement Age

- Members noted the international trend of extending the retirement age of working population. A Member suggested the Government to study the impacts of the trend to Hong Kong, in particular on the public finance and economic development of Hong Kong.
- It was raised that since there was no statutory retirement age or state pension system in Hong Kong, the Government had little role to play on the retirement age of the working population in Hong Kong. Some Members considered that the Government being the largest employer in the territory could set up a role model for other employers to follow.

- Members also opined that it was not necessary to set a mandatory retirement age for employees in the private sector. The retirement benefits of the employees would be provided as part of their remuneration package in form of an agreement between employers and employees.

Labour Force Participation Rate (LFPR) of the older population

- Several Members were interested in the reasons for the declining LFPR of the older population in Hong Kong in the past two decades. A speaker opined that the phenomenon might be attributed to –
 - (i) the eligibility requirement of the Comprehensive Social Security Assistance (CSSA) for elderly which did not require those CSSA recipients aged 60 and above to look for employment as a condition for receiving the benefits. However, the speaker stressed that the Government should take the responsibility of providing necessary assistance to the needy elders who had contributed to the society when they were young. The issue at stake was whether the existing eligibility requirement was relevant to the current socio-economic context;
 - (ii) the relatively large proportion of older-age, low-skill and manual workers who might not be able to meet the physical fitness requirement of manual jobs, and the changing job skill requirements of the local economy; and
 - (iii) the increased flexibility in retirement in view of the reduced financial burden of couples with declining number of children in families.

Ageing Population and Retirement

- In response to the ageing population, Members considered that the Government should carefully consider issues concerning the public healthcare system in Hong Kong. The concept of active ageing should also be actively promoted to ensure a healthy and fruitful life of the elderly.

- Some Members indicated their support to the approach of promoting a less age-structured life course and more flexible employment arrangement for older workers. However, some members were skeptical about the feasibility of the idea and the employability of some of the older workers if they quitted their current jobs and tried to start their second career in the middle age.
- A Member pointed out a common misconception that Mandatory Provident Fund (MPF) would be able to provide necessary financial support to one's retirement life. He was concerned that people would require other sources of savings or income to support their retirement life.
- Members generally agreed that early preparation for retirement such as personal financial planning and regular health checks would improve the quality of life of the elderly.
- A speaker remarked that the dependence of the elderly on medical and healthcare services should not be exaggerated. According to statistics, only about 10 - 20% of the elders would require intensive health care by others.

Eligibility and Portability of Public Benefits

Eligibility of Public Benefits

- International experience revealed that most countries offered no restrictions in education to return migrants and immigrants, but only limited access to social welfare and healthcare benefits. The provision of the latter two benefits was usually based on an employment-based contribution scheme.
- Members noted that Hong Kong people working in the Mainland or have migrated elsewhere were still eligible for the healthcare benefits when they returned Hong Kong. Some Members considered it unfair to Hong Kong taxpayers since these migrants might have little contribution in form of tax payment to Hong Kong, but were still eligible for the heavily subsidised public benefits.
- Some Members called for a review on healthcare financing. Proposals such as establishment of individual contributory accounts

(similar to the medical saving account in Singapore) or mandatory medical insurance scheme had been raised. Members also considered that these measures could help the development of private market for provision of medical services in Hong Kong.

- Members' views were diversified regarding the suggestion to introduce worldwide taxation for Hong Kong residents so as to allow them to continue enjoy the public benefits. Some Members considered that Hong Kong permanent residents should be entitled to public benefits and services only if they had made some contributions to the society in the form of tax payments. On the other hand, some Members opined that healthcare services and education were basic rights of our residents. Restrictions to the access to these benefits were considered unacceptable. Some Members were also concerned that a worldwide taxation system might reduce Hong Kong's attraction to overseas talents.

Portability of Public Benefits

- International experience revealed that it was uncommon for housing and educational benefits subsidized by a local government to be portable. For a few countries, healthcare and social security were portable to certain countries at a very limited scale where reciprocal agreements had been made.
- It was pointed out that an argument for the portability of public benefits was to facilitate labour mobility across the border. Nevertheless, it was difficult to predict whether this would attract more non-local talents to work in Hong Kong or facilitate more local talents to move to the Mainland.
- Regarding the portability of CSSA for elderly to the Mainland, a speaker opined that the scheme created a win-win situation that recipients could enjoy a better living quality in the Mainland while the Government could somewhat reduce its financial expenditure.
- Some Members were concerned about the portability of healthcare benefits between Hong Kong and the Mainland. Given the different standards and systems of medical services between Hong Kong and the Mainland, it would be difficult to reach a reciprocal agreement between the two places.

Other Views

- A Member commented that most of the discussion on ageing population as well as the eligibility and portability of public benefits were from a financial perspective. It had been assumed that our low tax regime could not be altered. The Member suggested that the community should consider the population-related issues from a holistic and “people-based” perspective, taking into account the development of the society and overall demographic situation. With the consensus of the community, the tax regime could be reviewed and if necessary, the tax rate could be increased to support the provision of better social security and services.
- Another Member highlighted that when considering population-related policies, one should also take into account of their effect and implications to the tax regime, healthcare and welfare systems.

Concluding Remarks

4. Head of CPU expressed gratitude to the speakers and all Members for their suggestions and comments. Population policy involved many different aspects. He welcomed further comments from Members either through email or fax to the Secretariat for distribution to other Members. The Secretariat would prepare a summary of views expressed at the workshop for Members’ reference. The population-related issues raised at the workshop would be discussed in the next meeting of the Committee on Social Development and Quality of Life to be held on 6 July.
5. The attendance list of the participants is at Annex.

Secretariat to the Commission on Strategic Development
June 2006

策略發展委員會
社會發展及生活質素委員會工作坊
2006年5月30日

Workshop for
the Committee on Social Development and Quality of Life
of the Commission on Strategic Development
30 May 2006

出席名單

Attendance List

主持人

Convener

Head, Central Policy Unit

中央政策組首席顧問

委員

Members

Dr CHAN Kin-keung, Eugene

陳建強醫生

Mr CHAN Siu-hung

陳紹雄先生

Mr DING Wai-chuen, Raphael

丁偉銓先生

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

香灼璣先生, S.B.S., J.P.

Dr HUI Ka-wah, Ronnie

許家驊醫生

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

紀文鳳女士, J.P.

Mr LAI Kwong-tak, Albert

黎廣德先生

Mr LAW Kin-chung, Christopher

羅健中先生

Ms LAW Suk-kwan, Lilian

羅淑君女士

Mrs LAW SHING Mo-han, Yvonne

羅盛慕嫻女士

Mr LEE Chung-tak, Joseph, B.B.S., J.P.

李宗德先生, B.B.S., J.P.

Prof NG Ching-fai, G.B.S.

吳清輝教授, G.B.S.

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

吳祖南博士, B.B.S.

Mr PUI kwan-kay, M.H.
Mr SHIH Wing-ching, J.P.
Mr SZE, Kyran
Mr TAI Hay-lap, B.B.S., J.P.
Mr WONG Kwok-kin
Mr WONG Sau-ching, M.H.
Mr YUNG Wing-ki, Samuel, M.H.

貝鈞奇先生, M.H.
施永青先生, J.P.
施家殷先生
戴希立先生, B.B.S., J.P.
黃國健先生
黃守正先生, M.H.
容永祺先生, M.H.

列席

In Attendance

Ms CHOY Hiu-fun, Ellen
Principal Assistant Secretary (Appointment),
Civil Service Bureau

公務員事務局首席助理秘書長(聘任)
蔡曉芬女士

Mr CHEUNG Doi-ching
Principal Assistant Secretary (Elderly Services
& Social Security)2, Health, Welfare and Food
Bureau

衛生福利及食物局首席助理秘書長
(安老服務及社會保障) 2
張岱楨先生

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

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

Mr GIANG Tsz-sheung, Keith
Administrative Officer (Employment), Labour
Department

勞工處政務主任(就業)
姜子尚先生

因事未能出席

Apologies

Ms CHAN Yu

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

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

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

Prof CHIU Wing-kai, Stephen

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

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

The Hon LAU Kong-wah, J.P.

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

The Hon LEUNG Yiu-chung

Dr LO Wing-lok, J.P.

Ms LOH Kung-wai, Christine

Ms MAR Yuet-har, B.B.S., M.H.

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

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Mr TIK Chi-yuen, J.P.

Mr WONG Kwok-keung, Peter, J.P.

Mr WONG Ying-wai, Wilfred, J.P.

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趙永佳教授

高靜芝女士, J.P.

林順潮教授, J.P.

劉江華議員, J.P.

羅致光博士, S.B.S., J.P.

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