

## Transcript of remarks at press conference on labour and welfare measures (with photos/video)

The Chief Executive, Mrs Carrie Lam, held a press conference today (January 18) on the implementation of a range of labour and welfare measures. Joining her were the Secretary for Financial Services and the Treasury, Mr James Lau; the Secretary for Labour and Welfare, Dr Law Chi-kwong; the Director of Social Welfare, Ms Carol Yip; and the Principal Assistant Secretary for Financial Services and the Treasury (Treasury), Ms Tracy Chu. Following is the transcript of remarks at the press conference:

Reporter: So, Mrs Lam, you always claim you are not shying away from difficult topics and will not take a populist route. As you said, there are sound rationale behind the policy change, so how would you respond to criticism that you indeed backed down just under huge public pressure? So are you taking a populist route? And the second question is on the figures. So any estimates that how many people would apply for the new supplement and how much is the total cost of the policy change? Thank you.

Chief Executive: Let me answer the second question first. As I said, for CSSA recipients aged 60 to 64, in addition to receiving the standard rate, they will receive this Employment Support Supplement (ESS). There is no procedure to apply. It will be disbursed at the same time with the standard rate on almost a permanent and perpetual basis, so as long as he or she receives the standard rate, he or she will receive the ESS. That's hand in hand, given to them in recognition of the special circumstances of an elderly person trying to find a job, so there is no process. And we don't have any estimate because the whole purpose of initiating this change is driven by population policy. It's to respond to the general aspiration that we should extend people's working life, which we had. We had extended the retirement age for new civil servants serving civil service. We had extended the working life of the security guards up to 70 by amending the legislation. This is one of those measures, and perhaps one of the final measures in that package, to address the ageing issue and also to extend people's working life. We don't have an estimate of how much we will save as a result of that, so for the same reason we don't have any estimate of how much we will pay out as a result of the ESS. The simple calculation is whatever the number of applicants coming to our Social Welfare Department eligible to receive this CSSA as able-bodied 60 to 64, then we will disburse the supplement to them.

As far as the first question, which is concerning governance, as I've said at the beginning, every policy initiative has two sides to it. One is the justifications of why you want to do this – the purpose, the objective, the justifications – and very often it's based on evidence, based on some consultations. Decision has been made for the three measures based on those deliberations. But implementation of a policy initiative requires much

detailed analysis and planning in order to mitigate any adverse impact on the affected people – that's only normal – and also to resonate well with the objective of doing that. For example, the objective of improving the terms and conditions of employment of the non-skilled workers in the government service contract is to help these very grass-root workers, so why should we be so concerned about awarding a contract before the first of April and putting these people on a two-year, three-year basis so that they could not enjoy the new terms? That is an implementation issue which could be mitigated through very careful and meticulous planning.

What I am saying and confessing today is in the actual implementation and planning, there is room for improvement. And on today's announcement of improvement measures to ensure more effective and more compassionate implementation of the policy initiatives, I will not regard that as backing down or yielding to pressure or being populist. Had I known this two months ago before all these issues have caught public concern, I would probably have done the same thing, but unfortunately, and you have to appreciate that, as the Chief Executive of the Hong Kong SAR it is now no longer possible for me to be so hands-on in every detail of implementation. So as long as I know and as soon as I know – and I'm not blaming the colleagues because they have rules to follow, there are financial rules and procurement rules to follow and there are computer systems to handle – as the Chief Executive I could make all those decisions, on money, on technical matters and on things like that. That's why I have made that decision to introduce the improvement measures to smooth out the implementation of these three policy initiatives.

(Please also refer to the Chinese portion of the transcript.)

