

立法會
Legislative Council

LC Paper No. CB(2)591/01-02
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

LegCo Panel on Welfare Services

Minutes of meeting
held on Monday, 12 November 2001 at 10:45 am
in Conference Room A of the Legislative Council Building

Members Present : Hon CHAN Yuen-han, JP (Chairman)
Hon LAW Chi-kwong, JP (Deputy Chairman)
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon YEUNG Sum
Hon CHOY So-yuk
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
Hon WONG Sing-chi

Members Absent : Dr Hon David CHU Yu-lin, JP
Hon Bernard CHAN
Hon Frederick FUNG Kin-kee

Public Officers Attending : Item III

Mrs Carrie LAM, JP
Director of Social Welfare

Mr Robin GILL, JP
Deputy Secretary for Health and Welfare 3

Mr Patrick NIP
Deputy Secretary for Health and Welfare 2

Action

Mr H W FUNG, JP
Deputy Commissioner for Census and Statistics

Mr H Y CHEUNG
Principal Economist 4, Financial Services Bureau

Mrs DO PANG Wai-yee
Principal Assistant Secretary for Education and Manpower 4

Mr LEE Cert-quinn
Chief Manager/Management (Support Services) 2
Housing Department

**Individuals/
Deputations by
invitation** : Item III
Individuals

Dr WONG Hung
City University of Hong Kong

Dr Fernando CHEUNG
Department of Applied Social Science
The Hong Kong Polytechnic University

Deputations

Livelihood Agenda 21

Rev LI Kin-wah
Convenor of Livelihood Agenda 21
General Secretary of Mission To New Arrivals Ltd.

Hong Kong Confederation of Trade Unions

Mr TAM Chun-yin
Organizing Secretary

The Federation of Hong Kong and Kowloon Labour Unions

Mr POON Siu-ping
Vice Chairman

Action

Ms NG Wai-yee
Director of Social Affairs Community

Society for Community Organization

Mr HO Hei-wah
Director

Elderly Rights League (HK)

Mr PANG Wai-shing
Vice Chairman

Ms LEUNG Wai-chun
Executive member

Fight for Social Welfare Alliance

Mr TAM Leung-ying
Representative

St. James' Settlement

Ms CHENG Shuke-ching
Social Worker

Association for the Rights of the Elderly

Ms Rita LAM
Chairperson

Hong Kong Council of Social Service

Mr CHUA Hoi-wai
Senior Project Officer
Policy Department

The Hong Kong Federation of Trade Unions

Mr WONG Kwok-hing
Deputy Director, Social Policy Committee

Clerk in Attendance : Ms Doris CHAN
Chief Assistant Secretary (2) 4

Action

Staff in Attendance : Miss Mary SO
Senior Assistant Secretary (2) 8

I. Confirmation of minutes of meeting held on 11 October 2001
(LC Paper No. CB(2)242/01-02)

The minutes were confirmed.

II. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)234/01-02(01) and CB(2)317/01-02(01) to (04))

2. Members agreed to discuss the following issues at the next meeting scheduled for 10 December 2001 -

- (a) Support initiatives for CSSA single parent recipients;
- (b) New initiatives to strengthen support for families; and
- (c) Initiatives to strengthen youth welfare services.

3. Regarding the submission from the Hong Kong Retinis Pigmentosa Society requesting to discuss the issue of support for people afflicted with the disease (LC Paper CB(2)317/01-02(04)), members suggested that a joint meeting be held with the Panel on Health Services to discuss the issue. The Chairman undertook to liaise with the Chairman of the Panel on Health Services on holding a joint with the Panel.

III. Measures to address poverty
(LC Paper Nos. CB(2)317/01-02(05) to CB(2)317/01-02(16))

4. Members noted an information booklet entitled "Moving Forward With Our Support" published by the Social Welfare Department (SWD) tabled at the meeting.

Meeting with individuals/deputations

5. The Chairman welcomed individuals/deputations to the meeting. Views and suggestions raised by individuals/deputations on measures to address poverty were summarised in the ensuing paragraphs.

Action

Livelihood Agenda 21

6. Rev LI Kin-wah took members through a series of measures proposed by the Livelihood Agenda 21 to address poverty detailed in its submission (LC Paper No. CB(2)317/01-02(07)). In particular, Rev LI highlighted the following proposed measures to address poverty -

- (a) to set up an anti-poverty committee comprising the relevant policy secretaries and representatives from the concerned groups and the business sector;
- (b) to establish a statutory minimum wage system and maximum daily working hours;
- (c) to immediately reduce the rent of public rental housing (PRH) flats by 30%;
- (d) to immediately increase the Old Age Allowance (OAA) by \$300 to help elders with limited income, particularly those not on Comprehensive Social Security Assistance (CSSA). Moreover, the requirement that elders aged between 65 and 69 must not have an income or assets exceeding the prescribed levels in order to be eligible for OAA should be removed;
- (e) to immediately implement an old age pension scheme (OPS) whereby elders aged 65 and above would receive a monthly allowance calculated at 30% of the median monthly income, i.e. about \$3,000;
- (f) to consider the proposal of issuing food coupons for needy families; and
- (g) to launch more community-based projects, such as service to accompany the sick and disabled to see doctors, and provide more support to the recycling industry, so as to create more job opportunities for people with low skills and educational attainment.

Hong Kong Confederation of Trade Unions (HKCTU)

7. Referring to the HKCTU's submission (LC Paper No. CB(2)317/01-02(09)), Mr TAM Chun-yin said that the Administration should immediately -

- (a) implement an OPS to enable elders of little financial means to have a dignified and comfortable retirement life;
- (b) establish a statutory minimum wage system; and
- (c) consider the proposal of subsidising those households with at least one

Action

family member working full-time and their monthly household income below two-thirds of the median monthly household income.

In respect of (c) above, Mr TAM pointed out that unlike the CSSA Scheme whereby applicants had to undergo a very complicated means test, the Administration could determine whether a particular household was eligible for the proposed subsidisation scheme through the salary tax returns of its family members. Another merit of the proposed subsidisation scheme was that it did not have the labelling effect as the CSSA Scheme that people on CSSA were lazy people taking advantage of the social security system.

The Federation of Hong Kong and Kowloon Labour Unions (the Labour Unions)

8. Mr POON Siu-ping briefed members on the salient points of the Labour Unions' submission (LC Paper No. CB(2)317/01-02(10)). Notably, it urged the Administration to set up the following -

- (a) a broadly represented committee to combat poverty;
- (b) a unit dedicated to studying the establishment of a statutory minimum wage system and standard working hours and employee benefits, so as to protect workers' interests, particularly the marginal workers; and
- (c) an unemployment loan scheme to assist those unemployed persons not eligible for CSSA.

Mr POON explained that in order to be eligible for the proposed unemployment loan, an applicant must be unemployed for at least three months and did not own any non self-occupied property. Discretion, however, could be given if such property had become a negative asset. The maximum amount of loan which an applicant could receive could be set at \$100,000 or his/her last six months' net salary, whichever was lower. Loan recipients were required to repay the loan after they regained employment, say, by installments at 10% of their monthly income.

Society for Community Organization (SOCO)

9. Mr HO Hei-wah introduced the SOCO's submission (LC Paper No. CB(2)317/01-02(11)) which outlined a series of measures to alleviate poverty. Mr HO, however, pointed out that there could be no real solution to poverty if the Administration refused to admit that the problem was grave. In this connection, he expressed support for the proposal that the Administration should set up a broadly represented committee to combat poverty.

Elderly Rights League (HK)

10. Referring to the Elderly Rights League (HK)'s submission (LC Paper No.

Action

CB(2)317/01-02(12)), Ms LEUNG Wai-chun urged the Administration to adopt the following measures to ensure the basic needs of vulnerable elders were met -

- (a) immediately increase the amount of OAA by \$300, reduce the rent of PRH flats for elders by 50% and provide rent subsidy to elders presently living in cubicles; and
- (b) in the long run, provide elders aged 65 and above with an old age pension funded by contributions from employers, employees and the Government.

Fight for Social Welfare Alliance (the Alliance)

11. Mr TAM Leung-ying introduced the Alliance's submission (LC Paper No. CB(2)317/01-02(13)), and highlighted the following proposed measures to address poverty -

- (a) to establish a poverty line and a statutory minimum wage system in Hong Kong to safeguard people's right to an adequate standard of living;
- (b) to expedite the commissioning of infrastructure projects to meet the pressing needs for jobs;
- (c) to provide more assistance to help young people, particularly those aged between 15 to 19, gain employment;
- (d) to establish a fund to assist the unemployed to tide over their temporary financial difficulties. In return, they would be required to perform community work; and
- (e) to set up a committee comprising government officials and representatives from a wide spectrum of the community to combat poverty.

Dr WONG Hung

12. Dr WONG Hung took members through his submission (LC Paper No. CB(2)317/01-02(14)) which detailed the poverty situation of Hong Kong in the 1990s, causes of poverty in Hong Kong and measures to address the problem. In particular, Dr WONG said that to fully realise the safety net intention of the CSSA Scheme, action should be stepped up to remove the stigmatisation of people on CSSA as lazy people taking advantage of the social security system, so as not to deter needy people from applying for CSSA. Dr WONG further said that apart from providing financial assistance to the disadvantaged groups, the Administration should allocate more resources to the development of community-based industry to create job opportunities for low-skilled people. To ensure workers had a reasonable standard of living,

Action

Dr WONG urged the Administration to establish a statutory minimum wage system. Standard working hours should also be established to avoid people having to work excessively long hours. Given that poverty was a complex and multi-dimensional issue and the causes complicated and inter-related, Dr WONG considered it necessary for the Administration to set up a broadly represented committee to address the problem.

St James' Settlement

13. Ms CHENG Shuke-ching took members through the St James Settlement's submission (LC Paper No. CB(2)317/01-02(15)) which proposed the following measures to tackle poverty -

Social security and social welfare

- (a) to allow elders living with families but who received minimal or no support from their children to apply for CSSA;
- (b) to reinstate various special grants, such as grants to cover telephone fee and rent deposit, and long-term supplements for able-bodied CSSA recipients;
- (c) to raise the amount of disregarded earnings (DE) under the CSSA Scheme to \$2,600 a month. To simplify the calculation of DE, consideration could be given to disregarding 70% of a CSSA recipient's income from employment;
- (d) to ensure that children of CSSA recipients had the same learning and development opportunities as children who were not on CSSA. The requirement that a person must be a Hong Kong resident and had resided in Hong Kong for at least one year in order to be eligible for CSSA should be relaxed for newly arrived children;
- (e) as a long-term goal, to introduce OPS so elders needed not rely on means-tested social assistance to live a dignified retirement life. In the interim, more financial assistance, such as increasing the amount of OAA and housing subsidies, should be provided to elders not on CSSA but had limited income;
- (f) to improve the transparency and user-friendliness of the CSSA Scheme, so as not to deter needy people from applying for it;

Education

- (g) to create free daytime school places for women who did not have the opportunity to receive nine-year basic education when they were young;

Action

Employment

- (h) to establish a statutory minimum wage system;
- (i) to set up an unemployment fund to help the unemployed overcome their short-term financial difficulties;
- (j) to expedite the creation of jobs announced in the Policy Address;
- (k) to ensure that there was no exploitation of workers in jobs contracted out to the private sector; and
- (l) to launch more community-based projects for elders.

Association for the Rights of the Elderly (the Association)

14. Ms Rita LAM introduced the Association's submission (LC Paper No. CB(2)317/01-02(16)) which proposed a package of measures to enable elders of limited means to live a dignified and comfortable retirement life. Ms LAM further said that the Administration should expeditiously announce the review findings on OAA and its preliminary thinking on them. As health care expenses were heavy burden to many non-CSSA elders of limited means, the Administration should immediately introduce concessionary health care fees and charges for these elders. To help vulnerable elders cope with their daily lives, community services targeted at this group of elders should be launched. Apart from providing funds to launch these services, provision of supporting facilities such as accommodation was also necessary. For example, consideration could be given to making use of the long-idled retail space in the public housing estates to run community services for elders.

Hong Kong Council of Social Service (HKCSS)

15. Mr CHUA Hoi-wai briefed members on the salient points of the HKCSS' submission (LC Paper No. CB(2)317/01-02(17)) tabled at the meeting. In particular, Mr CHUA said that despite the numerous measures taken by the Administration to tackle poverty, they had not been entirely effective in ameliorating the problem. As the causes of poverty were complicated and inter-related, HKCSS considered it necessary for the Administration to set up an inter-departmental committee to address the issue of poverty in a more focused and co-ordinated manner. Members of the public should also be represented on this committee.

The Hong Kong Federation of Trade Unions (HKFTU)

16. Mr WONG Kwok-hing took members through the three submissions prepared by HKFTU (LC Paper No. CB (2)317/01-02(18)) tabled at the meeting. In particular, Mr WONG highlighted the following measures to address poverty -

Action

- (a) to expedite the commissioning of infrastructure projects and provide more support to the recycling industry to meet the pressing needs for jobs;
- (b) to increase the amount of OAA payable to elders not on CSSA;
- (c) to reduce the rent of all PRH flats; and
- (d) to immediately review the CSSA Scheme to enable more people in financial difficulty, such as owners of negative asset, to apply for CSSA.

Mr WONG further said that in order to improve government finance during this time of economic difficulty and to narrow down the disparity between the rich and the poor, a three-tier system for levying profits tax should replace the existing 16% flat rate system. Namely, a 16% profits tax should be levied on companies earning \$5 million and below, 16.5% for those earning above \$5 million to \$10 million, and 17% for those earning above \$10 million.

Dr Fernando CHEUNG

17. Dr Fernando CHEUNG said that relying on the CSSA Scheme as a safety net for the socially vulnerable was not entirely satisfactory, as the labelling effect of the Scheme that people on CSSA were lazy people taking advantage of the social security system had deterred some needy people from coming forward to apply for CSSA. The Mandatory Provident Fund Scheme also could not provide adequate retirement protection to low-income workers. In his view, a better approach would be to introduce a retirement protection scheme for all people along the lines of OPS. Dr CHEUNG also expressed support for the setting up of an inter-departmental committee to combat poverty. In the meantime, to provide relief to elders of limited means, the Administration should immediately lift the requirement that persons living with families had to apply for CSSA on a household basis.

The Administration's response

18. The Chairman then invited the Administration to respond to the views and suggestions raised by individuals/deputations at the meeting and in their submissions.

19. Deputy Secretary for Health and Welfare 3 (DSHW3) responded that the Administration would carefully study the views and suggestions raised by individuals/deputations at the meeting and in their submissions. DSHW3 then briefed members on the Administration's paper (LC Paper No. CB(2)317/01-02(05)) which set out the Administration's approaches to tackle poverty and measures undertaken in response to public concern. On the suggestion of setting up an inter-departmental committee to combat poverty, DSHW3 said that there was no need for such as there was already in place within the Administration a mechanism to deal with

Action

issues which straddled various policy areas. In this particular case, the Health and Welfare Bureau was responsible for co-ordinating and examining all information regarding the issue of poverty, and it would also convene meetings with the relevant policy bureaux/government departments where necessary. Moreover, progress reports on the approaches made to address poverty were regularly submitted to the Chief Executive who was also very concerned about this issue.

20. As regards the comments and suggestions made about the social security system, Director of Social Welfare (DSW) responded as follows -

- (a) The reason for requiring persons living with families to apply for CSSA on a household basis was based on the principle that members of the same family should support their family members who had no financial means. Where the total income of a family was assessed to be insufficient to meet its recognised needs, financial assistance would be provided to bridge the gap. If it was found that there was a poor relationship between the elderly person and his/her family members, special consideration could be given on an individual basis and discretion could be exercised by SWD to exempt individual applicants from the requirement where necessary. At present, about 10% of the 90 880 elderly singleton CSSA recipients were living with families;
- (b) Much efforts had been and would continue to be made to publicise through outreaching to the disadvantaged that the social security system provided a safety net to those in need at their disposal if they needed it;
- (c) The existing monthly CSSA payments were adequate to meet the basic and essential needs of CSSA recipients. For example, the monthly CSSA payment of \$10,199 for a household of four members was comparable or above the average household expenditure of the lowest 20th, and even the lowest 25th percentile of the population which stood at \$9,680 and \$10,320 respectively. Another indication that the CSSA payments were adequate was that CSSA recipients had more money to spend on non-essential items than before. According to the recent studies on the spending pattern of CSSA recipients, money spent on food had dropped from 69.1% in 1994-95 to 56.1% in 1999-2000, whereas money spent on miscellaneous goods and services had increased from 7% to 9.1% and from 3.5% to 11.6% respectively over the same period. Although the percentage of money spent on food had dropped, it did not mean that CSSA recipients had to skim on their food bills. On the contrary, there had been a real increase of 17% on food spending over the period because of real improvements made to the CSSA Scheme. In addition, the purchasing power of the CSSA payments

Action

had increased by 11%, as a result of continuous deflation since 1998 whilst no corresponding downward adjustments were made to CSSA standard rates; and

- (d) The Administration could not accept the allegation that there was a policy to stigmatise people on CSSA as lazy people taking advantage of the social security system. By its nature, people applying for CSSA had to undergo a means-test. As the CSSA Scheme was non-contributory, it was incumbent upon the Administration to ascertain that public assistance was provided to people genuinely in need of it. Such an requirement was not unique to the CSSA Scheme, as people applying for assistance such as legal aid and student travel subsidy were also subject to means-testing.

Discussion

21. Ms LI Fung-ying considered it necessary for the Administration to set up an inter-departmental Committee to combat poverty. Referring to paragraph 3 of the Administration's paper which stated that the development of human capital, increase in social investment and sustained economic growth would provide the best environment for people to leave the poverty net, Ms LI enquired about the work which had been or would be carried out in developing human capital. Ms LI pointed out that any effort put in to develop human capital would be wasted if foreign workers were allowed to take over the jobs of local people. The situation of the domestic helpers market being taken up by over 200 000 foreigners was a case in point.

22. Principal Assistant Secretary for Education and Manpower (PAS/EM) responded that in order to gain a clearer picture of Hong Kong's future manpower needs and to identify potential gaps in manpower supply and demand, the Administration had carried out a detailed assessment of Hong Kong's manpower requirement by economic sector, occupation category and educational attainment as well as manpower supply by educational attainment up to 2005. One of the major findings of the study revealed that there would be mismatch between job requirements and the qualifications, i.e. manpower requirement for workers with degree and post secondary education would exceed the projected supply, whereas the reverse was true in respect of workers with upper secondary and lower secondary education. Government had taken measures to address the mismatch, for instance, a \$5 billion Continuing Education Fund would be launched in the next financial year. The aim of the Fund was to help people pursue continuing education, thereby equipping them with the necessary skills to better cope with the manpower requirement of a knowledge-based economy.

23. As regards foreign domestic helpers (FDHs) taking away the job opportunities of local domestic helpers (LDHs), PAS/EM said that this was not the case as a recent survey on the subject revealed that FDHs and LDHs were catering for the needs of different types of households. To attract more local employers to employ LDHs, the

Action

Administration intended to implement a series of measures to promote job opportunities for LDHs and improve their quality through a pilot scheme in April 2002. Members of the Panel on Manpower had been briefed on this matter on 2 November 2001.

24. Dr YEUNG Sum disagreed with the explanation given by the Administration in paragraph 19 above. He urged that an inter-departmental committee to combat poverty be set up expeditiously to tackle poverty, in view of the growing gravity of the problem as evidenced by the widening disparity between the poor and the rich revealed in the results of the 2001 Population Census, i.e. the Gini Coefficient had increased from 0.518 in 1991 to 0.521 in 2001.

25. Deputy Commissioner for Census and Statistics (DCCS) said that the Gini Coefficient was a summary indicator for presenting the degree of concentration of income among households in the population. In the extreme case where every household had the same income, the Gini Coefficient would have a zero value. In the other extreme where all income was earned by one household, the Gini Coefficient would have a value of one. As such, the larger the Gini Coefficient, i.e. the closer it was to the value of one, the higher was the income disparity. It should however be pointed out that the Gini Coefficient had its limitations. In its present form, no account had been taken of the change in the distribution of households by household size. For instance, a large increase of small size households such as single person households could be a factor causing the increase in the Gini Coefficient. More in-depth study on it and other factors would be needed to obtain a fuller understanding of the causes for the increase in the Gini Coefficient. DCCS further said that increases in the Gini Coefficient also occurred in other economies. One possible reason for such a trend was that these economies were transforming into knowledge-based economies whereby people in which workers with better knowledge and skills would get faster increases in income.

26. Notwithstanding the increase in the Gini Coefficient, DCCS drew members' attention to the fact that there had been an increase in both the monthly median income of domestic households and of individual persons over the past 10 years from 1991 to 2001. Namely, the monthly median income of domestic households was \$9,964 in 1991 and \$18,700 in 2001, representing an increase of 88%. As regards the monthly median income from main employment of the working population, it was \$5,170 in 1991 and \$10,000 in 2001, representing an increase of 93%. DCCS further said that even discounting the 53% increase of prices over the past 10 years from 1991 to 2001, as measured by the Composite Consumer Price Index, there was still an increase in household income and in employment income in real terms during the past 10 years.

27. Principal Economist said that amidst the economic downturn and on-going economic restructuring more towards knowledge-based activities, there was likely to be a continued shift in labour demand in favour of higher-skilled and better educated workers in the coming years. Because of this, it seemed rather unlikely that the

Action

income disparity in Hong Kong would narrow in the near term.

28. Mr LEE Cheuk-yan said that there was a need for the Administration to conduct a study to assess how the globalisation of trade and investment, and in particular China's accession to the World Trade Organisation, would impact on the poverty situation in Hong Kong. In view of the growing gravity of poverty, Mr LEE expressed support for the proposal of setting up an inter-departmental committee within the Administration to combat poverty. Mr LEE further said that the fact that the Administration had often called upon the public to become self-reliant had resulted in deterring people from coming forward to apply for CSSA. DSW disagreed with Mr LEE's view, and pointed out that becoming self-reliance was the wish of most able-bodied CSSA recipients.

29. Ms CHOY So-yuk expressed support for the proposal of setting up of an inter-departmental committee within the Administration to combat poverty. Ms CHOY further said that the Portable CSSA Scheme should be improved to enable elderly CSSA recipients to continue to receive their monthly standard rate payment and annual long-term supplement should they choose to retire in places other than Guangdong. They should also be allowed to be away from Hong Kong for up to 364 days instead of the existing 180 days.

30. Mr LAW Chi-kwong considered it necessary for the Administration to set up an inter-departmental committee to combat poverty if it was concluded that poverty was a long-term problem. Mr LAW then enquired whether the rise in the number of singleton elderly CSSA recipients in recent years was due to the fact that following the review of the CSSA Scheme in 1998, SWD had strictly enforced the requirement that persons living with families had to apply for CSSA on a household basis. The effect of such could be that some elders, in order to become eligible for CSSA, would need to move away from their families. DSW undertook to respond to Mr LAW's query after the meeting.

Adm

31. As the Administration did not consider it necessary to set up an inter-departmental committee to combat poverty, Dr YEUNG Sum proposed the following motion which was submitted to the Chairman in written form -

“福利事務委員會要求政府設立跨部門之‘扶貧委員會’，就貧窮問題進行研究並提出紓緩措施。”

[The English translation of the motion read as follows -

"That the Panel on Welfare Services requests the Administration to set up an inter-departmental "Combat Poverty Committee" to conduct studies on the issue of poverty and propose alleviating measures."]

32. The Chairman put the motion to vote. The motion was passed by all members

Action

present at the meeting, with the exception of Mr Henry WU who abstained. The Chairman suggested that the proposal of setting up an inter-departmental "Combat Poverty Committee" within the Administration should be brought to the attention of the House Committee and that the Chairman of the House Committee be requested to put forward the proposal to the Chief Secretary for Administration for his consideration. Members agreed.

33. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 2
Legislative Council Secretariat
5 December 2001