

立法會
Legislative Council

LC Paper No. CB(2)1109/06-07

(These minutes have been
seen by the Administration)

Ref : CB2/HS/1/04

Subcommittee to Study the Subject of Combating Poverty

Minutes of meeting
held on Friday, 19 January 2007, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Hon James TIEN Pei-chun, GBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon Margaret NG
Hon CHAN Yuen-han, JP
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon Ronny TONG Ka-wah, SC

Members absent : Hon Albert HO Chun-yan
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert Jinghan CHENG

Member attending : Hon WONG Kwok-hing, MH

Public Officers attending : Agenda item I

Mr Stephen FISHER, JP
Secretary to the Commission on Poverty

Ms WONG Yuen-ling, Edna
Assistant Secretary to the Commission on Poverty

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Mr Chris LAI
Senior Council Secretary (2) 7

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Work Progress of the Commission on Poverty
[LC Paper Nos. CB(2)863/06-07(01) and (02)]

Transport support scheme

At the invitation of the Chairman, Secretary to Commission on Poverty (Secy/CoP) briefed members on the deliberations of CoP on the pilot Transport Support Scheme. Secy/CoP said that CoP discussed at its meeting on 8 January 2007 the proposal of providing a Job Search Allowance and a Transition-to-Work Allowance for needy unemployed living in Yuen Long, Tuen Mun, North and Islands districts to encourage them to find work and to stay in employment. Secy/CoP advised that CoP members made a number of comments on the proposal, including extending the length of the Transition-to-Work Allowance to cover the first three to six months of a new job, and providing the subsidy to people already in employment but who wished to change to jobs in other districts.

2. As regards the proposal of extending the Transport Support Scheme to low-income earners, Secy/CoP said that some CoP members were of the view that transport subsidy should also be provided to people living in remote areas and who were already in employment. Some CoP members, however, expressed concern about the possible adverse impact of transport subsidy on wages, if the subsidy were to be provided on a long-term basis. In the light of the views of CoP members, the Administration would submit a revised proposal to CoP at its next meeting on 23 January 2007.

3. Mr WONG Kwok-hing said that low-income earners living in remote areas were facing great economic hardship in daily lives. According to a survey

Action

conducted among residents of Yat Tung Estate in Tung Chung, 68% of the respondents received a monthly income of less than \$11,000 and 13% of them had monthly income of less than \$5,000. 80% of the respondents had to work cross-districts, and the high transportation costs had further aggravated their financial difficulties. The survey findings also showed that one quarter of the respondents were Comprehensive Social Security Assistant (CSSA) recipients and another quarter were having symptoms of depression; the respective proportions were higher than the territory's averages. Mr WONG strongly urged the Administration to provide transport subsidy for low-income workers in remote areas to alleviate their financial difficulties.

4. Secy/CoP responded that the Administration fully understood the economic hardship faced by low-income workers living in remote areas. This explained why the Administration proposed to provide a Job Search Allowance and a Transition-to-Work Allowance for the needy unemployed who lived in remote areas and were unable to find jobs in their own districts due to a relative lack of local employment opportunities. The Administration considered the proposed scheme an effective way to encourage the unemployed to look for jobs and to assist them during the period when they were adjusting to new jobs.

5. Mr TAM Yiu-chung opined that the proposed Transport Support Scheme should be launched as early as possible to encourage the needy unemployed in remote areas to work across districts and to achieve self-reliance. Mr TAM enquired about the estimated number of target beneficiaries in the four pilot districts, including the unemployed and those who intended to change jobs, and the financial implications of the scheme.

6. Secy/CoP responded that according to available statistics, about 51 800 unemployed were living in the four pilot districts. The total amount of subsidy would depend on the actual number of applicants, and the level and duration of subsidy. Secy/CoP said that the initial plan was to provide assistance to about 50 000 needy unemployed and to attract economically inactive persons, such as housewives, living in the four pilot districts to seek employment.

7. While agreeing that the Administration's proposal of providing transport support for the needy unemployed living in remote areas to seek employment should be implemented as soon as possible, Dr Fernando CHEUNG questioned the reasons for the low-income employees not being covered by the scheme. Dr CHEUNG pointed out that as stated by the Financial Secretary (FS) in the 2006-2007 Budget, the purpose of travel support was to assist low-income residents living in the remote areas to work across districts. In his view, the proposal had been deviated from FS's undertaking. Dr CHEUNG asked when the proposed scheme could be launched as the financial year would end two months' time.

Action

CoP
Secretariat

8. Secy/CoP responded that there was a strong consensus among CoP members for transport support to be provided to help the needy unemployed in the remote areas to find work and stay in employment. If the scheme were to be extended to low-income employees, the proposal would need to be further deliberated. Secy/CoP said that the implementation details of the proposed scheme had been resolved among the relevant bureaux, departments and non-governmental organisations (NGOs). Subject to CoP's decision at its next meeting on 23 January 2007, the implementation details could be made available within the 2006-2007 financial year. The Chairman requested and Secy/CoP undertook to revert to the Subcommittee on the implementation details of the scheme.

9. Ms LI Fung-ying declared that she was a member of CoP. Ms LI was disappointed at the proposed Transport Support Scheme which was a step backward. Ms LI held the view that the proposed Job Search Allowance and Transition-to-Work Allowance did not address the issues of concern to the working poor. As the transport subsidy was meant to be time-limited, she doubted if the recipients would continue to work cross-districts when they were no longer eligible for the subsidy and their income remained low. The Administration's advice for the low-income employees who did not earn enough to support themselves and their families to obtain financial assistance under the low earnings category of the CSSA Scheme was not acceptable as this would defeat the objective of poverty alleviation, i.e. to assist the needy to move from welfare to self-reliance.

10. Ms Emily LAU said that the Subcommittee had reached a consensus on the provision of transport subsidy to the working poor. She was dissatisfied that the Administration had not taken any concrete action to launch the scheme in the past year but on the contrary had proposed to narrow the scope of the scheme. Noting that the Administration considered that the provision of transport subsidy for low-income workers would involve complex policy issues, Ms LAU asked for the analysis.

11. Mr LEE Cheuk-yan expressed regret that the Administration had failed to honour its promise on providing transport subsidy to the low-income workers in remote areas. Mr LEE pointed out that the purpose of providing transport subsidy for low-income workers in remote areas was to address the relative lack of job opportunities in remote areas and to encourage work. Given that some employers in remote areas had reportedly reduced the wages of their employees living in the same district by an amount equivalent to the transportation cost, the provision of transport subsidy would provide more options for the working poor living in remote areas to seek better employment opportunities in other districts. Considering that low-income workers living in remote areas faced similar problems as the unemployed, Mr LEE was strongly of the view that the proposed Transport Support Scheme should be extended to cover low-income workers.

Action

Mr LEE added that the proposed transport subsidy did not address the issue of how low-income workers could be encouraged to stay in employment after they were no longer eligible for the time-limited transport subsidy. Hence, apart from the provision of transport subsidy, the Administration should also examine other support measures, such as job-seeking counselling and employment assistance, to assist the unemployed to find and stay in employment.

12. Mr Ronny TONG expressed strong dissatisfaction at the absence of a concrete plan on the part of the Administration for providing transport subsidy for low-income earners living in remote areas to work across districts, which had been repeatedly raised during past discussions of the Subcommittee. Noting that some members expressed support for the 2006-2007 Budget on the understanding that transport subsidy would be provided for low-income employees in remote areas, Mr TONG strongly urged the Administration to provide a concrete answer as to whether FS would honour his commitment made during the resumption of the Second Reading debate on the Appropriation Bill 2006 held on 29 March 2006. Mr TONG disagreed that the provision of transport subsidy for low-income workers involved complex issues which would need time to resolve as FS should have studied the policy and technical issues before making his pledge.

13. Responding to members' views and concern, Secy/CoP said that pursuant to the passage of the Appropriation Bill 2006, the Administration considered, after internal deliberations, that as the proposed transport subsidy was meant to be time-limited, its effectiveness in assisting people in low-earning employment but who were unable or had no intention to change jobs was unclear. Moreover, the provision of transport subsidy for low-income workers residing in remote areas involved complex policy issues and technical difficulties, such as parity for residents living in other districts, other support measures for the working poor and probable displacement of labour arising from the transport subsidy. The possible adverse impact of the transport subsidy, if it was to be provided on a long-term basis, on wages and whether the scheme would effectively become a new form of income supplement would also need to be considered. Given that the issues involved were complex and cut across different policy areas, the Administration would need to deliberate carefully on their policy implications.

14. Secy/CoP further said that having regard to the above considerations, the Administration proposed to proceed on a more cautious basis by providing a Job Search Allowance and a Transition-to-Work Allowance to assist the needy unemployed living in the four pilot districts. Secy/CoP pointed out that the policy and technical issues involved in the proposed pilot scheme were less complex and had been resolved by the relevant bureaux and departments. The new pilot scheme would be ready for rolling out. Secy/CoP stressed that the new pilot scheme did not contravene the study on the provision of transport subsidy for low-income workers living in remote areas. He hoped that the

Action

Subcommittee would support the pilot scheme so that the needy unemployed could benefit from the scheme as early as possible.

15. Mr LEE Cheuk-yan disagreed that the provision of transport subsidy to low-income workers involved complex policy issues, in particular its adverse impact on wages. He believed that the Administration was concerned about the impact of transport subsidy on the review of the Wage Protection Movement. He, however, did not see a relationship between the provision of transport subsidy and the minimum wage policy as the subsidy was given on a time-limited basis. Given that the policy issues involved should have been deliberated internally before FS undertook to provide transport subsidy for the low-income workers in remote areas, he strongly urged FS to honour his commitment and launch the scheme within the current financial year.

16. Ms Margaret NG said that even if the transport subsidy was to be provided to residents of remote areas only, the worry about parity for low-income residents of other districts was unnecessary because the Chief Executive had admitted a need to address the social problems in remote areas as a result of mistakes in town planning. It was the Government's responsibility to rectify the problem of relatively less job opportunities in remote areas by providing transport subsidy for the low-income residents in these areas to find jobs and work cross-districts.

17. Referring to paragraph 7 of the Administration's paper, Ms Emily LAU noted that one of the factors for not expanding the scope of the proposed Transport Support Scheme was to prevent abuse by those who might not be genuine job seekers. Ms LAU requested the Administration to further elaborate on this point.

18. Secy/CoP explained that given the relatively abundant supply of low-skilled and low-education labour in the remote areas, some unscrupulous employers might reduce the wage level of their employees by an amount equivalent to the subsidy, if transport subsidy was provided for low-income workers. There was also a concern that some employees might conspire with their employers to make fraudulent claims for transport subsidy. The Administration saw a need to put in place a monitoring mechanism to prevent abuse by those who might not be genuine job seekers by, for example, limiting the duration of transport subsidy. Notwithstanding the above, the pilot scheme should be made simple and easy to administer.

19. The Chairman pointed out that the proposed Transport Support Scheme for needy unemployed was different from the transport subsidy for low-income residents of remote areas as undertaken by FS during the resumption of the Second Reading debate on the Appropriation Bill 2006. The Chairman considered that the scheme with a clearly defined scope and on a time-limited basis would unlikely to give rise to abuse. The Chairman was unconvinced of

Action

the Administration's concern about transport subsidy becoming an income supplement. He pointed out that income supplement for the low-income employees was in fact not a new policy. For example, income allowance was provided for low-income employees under the low earnings category of CSSA Scheme.

20. Secy/CoP reiterated that complex policy and technical issues were raised during the internal deliberations by the relevant bureaux and departments on the implementation details of the proposed scheme. The problem of working poor could not be resolved simply by providing transport subsidy to the low-income earners. Moreover, the provision of transport subsidy on a long-term basis would raise complicated policy issues would be involved such as whether the scheme would effectively become a new form of income supplement for low-income employees. The Administration therefore proposed that the scheme should be on a time-limited basis and the scope be confined to the needy unemployed to find jobs and those who wished to change to jobs in other districts.

21. The Chairman pointed out that the Subcommittee had not asked for transport subsidy on a permanent basis, but rather a time-limited and purpose-specific pilot scheme. This was by no means a form of income supplement.

22. Miss CHAN Yuen-han said that the subject matter had been discussed for a long time. She could not understand why the Administration was still unable to provide a concrete plan for implementation 10 months after FS had made his pledge in the Budget Speech. She was surprised to learn that the proposed Transport Support Scheme did not cover low-income workers and she disagreed that the issues involved were complex. She reckoned that the target group could be identified easily by making reference to the meaning of "low-income households" in the General Household Survey conducted by the Census and Statistics Department.

23. Mr WONG Kwok-hing said that to his knowledge, 8% of the total population in Hong Kong on CSSA, but in Tung Chung, 24% of the residents of Tung Chung Estate were on CSSA. This showed that transport subsidy should be provided to address the specific problem in the district and provide incentives for residents of remote areas to find employment and work cross-districts if the Administration aimed to assist these people to achieve self-reliance. Mr WONG further said that if the Administration needed more time to study the subject matter, it should provide other temporary measures to enable these workers to work cross-districts, such as free shuttle bus service. Secy/CoP responded that the Administration had studied other forms of transport support for those living in remote areas, but found the options technically infeasible.

Action

24. Mr LEE Cheuk-yan expressed strong dissatisfaction with the Administration's refusal to provide transport subsidy for the low-income earners living in remote districts. Mr LEE considered that if the Administration failed to provide a satisfactory response to the Subcommittee's strong request, the Chairman of the Subcommittee should move a motion of no-confidence against FS for failure to honour his promise and breach of his pledge at a Council meeting before the end of the financial year. Dr Fernando CHEUNG supported the proposal.

25. While expressing support for Mr LEE Cheuk-yan's proposal, Ms Emily LAU said that members not present at the meeting should be duly informed of the proposal and given sufficient time to study the matter. Ms LAU suggested that the Subcommittee should hold another meeting shortly to further discuss with the Administration the provision of transport subsidy for the low-income workers in remote areas. FS should be invited to attend the meeting and provide a written response to members' views and concern, in particular the plan for providing transport subsidy to low-income workers in remote areas. The Subcommittee would then discuss whether and how to take forward the matter after taking into account the Administration's response. Members agreed. To facilitate discussion, she requested the LegCo Secretariat to prepare a background paper on the subject.

LegCo
Secretariat

26. Mr LEE Cheuk-yan moved the following motion which was seconded by Dr Fernando CHEUNG –

"本小組委員會對於財政司司長違反他在2006年3月29日財政預算案辯論時所作的承諾——為偏遠地區的低收入人士提供一個交通費支援試驗計劃，表示極度不滿，並由小組委員會主席在立法會會議上對財政司司長言而無信及違反承諾提出不信任動議。"

(Translation)

"That this Subcommittee expresses its utmost dissatisfaction with the Financial Secretary's breach of his pledge made during the Budget Debate held on 29 March 2006 to launch a pilot transport support scheme for low income people in remote areas, and considers that the Chairman of the Subcommittee should move a motion of no-confidence against the Financial Secretary for his failure to honour his promise and breach of his own pledge."

27. The Chairman put the motion to vote. All seven members present at the meeting voted for the motion. The Chairman declared that the motion was carried. The Chairman suggested and members agreed to schedule the next meeting for 26 January 2007 (after the Finance Committee meeting) or

Action

27 January 2007 to further discuss with the Administration the provision of transport subsidy for low-income workers and to discuss whether the motion would be proceeded with after taking into account the Administration's response.

(Post-meeting note : The next meeting of the Subcommittee would be held on 1 February 2007 at 4:30 pm.)

Support for children and family

28. Secy/CoP briefed members on the Administration's initiatives to strengthen the support for children and their families. Secy/CoP said that at the Child Development Forum held on 10 November 2006, there was a general consensus that the policy to prevent intergenerational poverty should focus on increasing the capacities and resilience of the children themselves. Participants were also supportive of exploring the asset-building approach as a way to help motivate children and their families from a disadvantaged background to build up their own assets and plan for their own future. This additional measure should be taken on top of the existing services for children and youth.

29. Secy/CoP said that three broad models of child development funds, namely, the Child Personal Development Fund, the Child Targeted Savings Fund and the Child Trust Fund, had been put forward for public discussion. The key features of the three models were set out in the Administration's paper. Secy/CoP pointed out that there were divergent views on the different models, in particular on the policy objectives concerning the long-term savings model like the Child Trust Fund. The Administration considered that implementation of the Child Personal Development Fund and the Child Targeted Savings Fund would be easier administratively than the Child Trust Fund. While the Administration would gather views from the community on the most suitable approach to be adopted, it would also consider supporting some pilot projects using the asset-building approach in the short-term. This would facilitate the Government and the community as a whole to consolidate the local experience and consider which model could best suit the needs of children and youth in Hong Kong.

30. Dr Fernando CHEUNG welcomed the Administration's plan to explore the asset-building approach to help promote child development and to tackle intergenerational poverty. Noting that tax concessions were granted in some overseas countries, such as Taiwan and the United States, to encourage the business organisations to give donations to the child development funds, Dr CHEUNG asked whether consideration would be given to introducing similar measures in Hong Kong.

31. Secy/CoP responded that apart from the Government's efforts, the sustainable growth of child development funds would depend heavily on

Action

donations from the business sector. In this connection, the Administration would step up efforts to promote the child development funds in the business sector and encourage more business organisations to make donations.

32. Responding to Dr Fernando CHEUNG's enquiry about the timetable for launching child development funds in Hong Kong, Secy/CoP said that there were currently two to three NGOs piloting asset-building programmes based on the Child Personal Development Fund model to promote personal development of children and youth. The Administration was consider setting up a fund for taking forward this model. He hoped that NGOs could start to apply for funding for pilot asset-building programmes in 2007-2008. Separately, the Administration had already received two proposals from NGOs applying for Government subsidy to launch asset-building programmes for disadvantaged children based on the Child Targeted Savings Fund model. Given that the NGOs concerned had secured donations from the business sector, he envisaged that these pilot programmes could be launched shortly if the NGOs had made all the necessary preparation work. As regards the Child Trust Fund model, Secy/CoP advised that the development of a universal fund for all children would take some time as it was controversial and involved legislative amendments.

33. Miss CHAN Yuen-han was supportive of adopting the asset-building approach to provide more development opportunities for children, as it would enhance their sense of belonging to the community. Noting that the asset-building approach was a relatively new concept in Hong Kong, Miss CHAN considered that deputations should be invited to give views on the proposal when the matter was further discussed by the relevant Legislative Council (LegCo) committees.

34. Secy/CoP advised that the asset-building approach would be further discussed by CoP at its next meeting on 23 January 2007. To keep members abreast of the development, Secy/CoP agreed to provide the relevant CoP papers to the Subcommittee in future.

35. Mr LEE Cheuk-yan supported the launch of child development funds in Hong Kong. However, he was concerned as to how poor families could make contributions to the funds in view of their stringent financial conditions. To benefit as many children living in families from a disadvantaged background as possible, Mr LEE considered that incentives would be necessary to encourage low-income families to make contributions to the funds.

36. Secy/CoP responded that the objective of the asset-building approach was to motivate children and their families to build up their own assets and plan for their own future. All children and families would be encouraged to do so irrespective of their financial conditions. To encourage the disadvantaged families to make contributions to the child development funds, the

Action

Administration would consider introducing incentives such as matching funds from the Government and/or the business sector.

37. While expressing support for the establishment of child development funds, Ms Emily LAU considered that education was a vital tool for children living in families from a disadvantaged background to get out of poverty. To ensure that children and youth could receive education at different stages, Ms LAU urged the Administration to consider providing 11 years' free education, and increasing the number of places and enhancing the quality of post-secondary education. As CoP would discuss the subject at its next meeting on 23 January 2007, she requested Secy/CoP to convey members' views for the consideration of CoP members. Secy/CoP agreed.

CoP
Secretariat

38. In summing up, the Chairman said that the Subcommittee welcomed the setting up of child development funds to assist the children and their families from a disadvantaged background. Considering that contributions from the business sector was crucial to the success of the child development funds, the Chairman said that the Administration should take a more proactive approach in promoting the concept of child development funds in the business sector with a view to encouraging more business organisations to give donations to the funds.

II. Draft report on "Elderly in poverty"
[LC Paper No. CB(2)863/06-07(03)]

39. Owing to time constraints, the Chairman said that discussion on the draft report on "Elderly in Poverty" prepared by the LegCo Secretariat would be deferred to the next meeting. Members agreed.

III. Any other business

40. There being no other business, the meeting ended at 12:55 pm.

Council Business Division 2
Legislative Council Secretariat
21 February 2007