

立法會
Legislative Council

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Subcommittee to Study the Subject of Combating Poverty

Minutes of meeting
held on Thursday, 1 February 2007, at 4:30 pm
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 CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon Ronny TONG Ka-wah, SC
Hon Albert Jinghan CHENG

Members absent : Hon Albert HO Chun-yan
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon Alan LEONG Kah-kit, SC

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

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I. Further discussion on the Transport Support Scheme

[LC Paper Nos. CB(2)863/06-07(01), CB(2)921/06-07(01) and CB(2)988/06-07(01) to (02)]

The Chairman said that at the last meeting, the Subcommittee passed a motion urging the Administration to honour the pledge made by the Financial Secretary (FS) during the resumption of the Second Reading debate on the Appropriation Bill 2006 on 29 March 2006 to launch a pilot transport support scheme for low-income workers living in remote areas. The Subcommittee also agreed to discuss at this meeting whether the motion would be proceeded with after taking into account the Administration's response.

2. At the invitation of the Chairman, Secretary to Commission on Poverty (Secy/CoP) briefed members on the further recommendations proposed by CoP to the pilot transport support scheme to provide additional incentive for low-income residents in remote areas to work across districts. CoP had reached a consensus at the meeting on 23 January 2007 on a trial scheme to provide transport subsidy for low-income workers living in remote areas to work across districts, and made a number of recommendations for the Administration's consideration as detailed in paragraph 7 of the paper provided by the CoP Secretariat. Secy/CoP added that the Administration had set up a working group comprising representatives of the CoP Secretariat, Labour Department (LD), Social Welfare Department and Employees Retraining Board to study the implementation issues. The pilot scheme would be operated by non-governmental organisations (NGOs) and launched as early as possible.

Eligibility criteria for transport subsidy

3. Mr LEE Cheuk-yan welcomed the progress. However, he considered the income threshold of \$5,600 per month too restrictive as it would exclude

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low-income workers who had a monthly income level slightly above \$5,600. As the purpose of the scheme was to provide incentive for low-income workers to work across districts and a low-income employee would get a maximum of \$6,200 a month (i.e. monthly income of \$5,600 and a monthly Cross-District Work Allowance of \$600), he suggested that workers whose monthly income was less than \$6,200 should also be eligible for the transport subsidy on a partial basis. For example, if a worker earned \$6,000 a month and worked across district, he would be eligible for a monthly transport subsidy of \$200. In other words, the monthly income plus the transport subsidy of each eligible worker would not exceed \$6,200.

4. Secy/CoP responded that CoP had a strong consensus that the transport subsidy for low-income workers should be time-limited and purpose-specific to cover part of the travelling expenses for job searching and working across districts; it should not be regarded as a general income supplement. He was concerned that Mr LEE Cheuk-yan's suggestion would effectively make the transport subsidy a new form of income supplement.

5. Mr LEE Cheuk-yan disagreed with Secy/CoP and said that his proposal only aimed to benefit more low-income workers. It was by no means a new form of income supplement. Miss CHAN Yuen-han held the view that the income threshold for the transport subsidy would effectively be regarded as a "minimum wage" level.

6. Mr LEUNG Kwok-hung was disappointed at the Administration's agreement to launch the pilot transport subsidy scheme only after the Subcommittee passed a motion on moving a vote of no confidence against FS for failure to honour his commitment. Considering that CoP was a high-level body to advise on and coordinate anti-poverty strategies, Mr LEUNG found it unacceptable that CoP insisted that the transport subsidy should not be regarded as a general income supplement. He added that there would not be a need for providing transport subsidy for low-income workers if there was adequate wage protection in Hong Kong.

7. Secy/CoP reiterated that the transport subsidy should not be turned into a form of an income supplement for low-income workers. The income limit of \$5,600 was simply a threshold for assessing the eligibility for the subsidy.

8. Dr Fernando CHEUNG said that while the Administration had finally undertaken to launch the scheme for low-income, it had still failed to honour its undertaking at large because the scheme would only be launched in the next financial year. Dr CHEUNG asked whether the income and asset limits for applying for the subsidy would be assessed on an individual or a household basis, and whether there would be a residence requirement for the applicants.

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9. Secy/CoP said that a Job Search Allowance of \$600 would be provided to each eligible job seeker. Low-income employees who were legally employable in Hong Kong, resided in remote areas and worked across districts with a monthly income of \$5,600 or below would be eligible for a Cross-District Work Allowance of \$600 a month for six months. Secy/CoP added that applications would be processed on an individual basis and eligible job seekers had to meet a personal asset limit of \$44,000. To encourage the working poor to move to self-reliance, consideration would be given to disregarding the transport subsidy when assessing the amount of assistance payable to Comprehensive Social Security Assistance (CSSA) recipients. Dr Fernando CHEUNG and Mr LEUNG Yiu-chung welcomed the proposed arrangements.

10. Ms LI Fung-ying was of the view that low-income workers who lived in the urban areas and had to commute long distance to work in remote areas should also be provided with transport subsidy, as they faced similar problem of high transportation costs as those residing in remote areas. Miss CHAN Yuen-han shared a similar view.

11. Secy/CoP responded that the objective of providing transport subsidy for low-income workers in remote areas was to address the problem of the relative lack of employment opportunities in these areas and to encourage these workers to seek better jobs in other districts. Although residents in urban areas also faced unemployment problems, they could find jobs more easily in view of the relatively abundant supply of job opportunities in urban areas. The provision of transport subsidy for low-income workers residing in the urban areas to work across districts would create competition for jobs in remote areas. This would defeat the purpose of the transport subsidy scheme.

12. Miss CHAN Yuen-han pointed out that in many low-income households, there was only one bread-winner who had to take up more than one job in order to meet the household expenses as their spouses were unable to find employment or chose to stay at home to take care of their families. As these workers had more than one job, their monthly income would sometimes exceed the threshold of \$5,600, thus making them ineligible for the transport subsidy. In view of the financial difficulties faced by these needy families, Miss CHAN requested the Administration to adopt more flexibility in respect of the income limit when processing applications for transport subsidy. Echoing Miss CHAN's view, the Chairman suggested that discretion in approving applications should be delegated to NGOs operating the pilot scheme.

13. Secy/CoP responded that the proposed scheme was intended to be simple and easy to administer. It would be complicated if the applications were assessed on both an individual and household basis. It would also increase the workload of the operating NGOs and put the onus of exercising discretion on them. Secy/CoP said that needy families in dire financial position could resort

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to the CSSA Scheme. Nonetheless, Secy/CoP agreed to convey members' suggestions to the relevant parties for consideration when working out the eligibility for and implementation issues of the scheme.

Implementation details of the pilot scheme

14. Noting that the pilot scheme would last for one year, Mr LEE Cheuk-yan held the view that the Cross-District Work Allowance should be provided for low-income employees for 12 months instead of six. Secy/CoP responded that low-income workers were eligible for a total of \$3,600 of Cross-District Allowance in one year. An eligible worker could apply for the subsidy at any point in time during the one-year pilot scheme. While he believed that most recipients would prefer to receive \$600 for six months rather than \$300 for 12 months, the Administration was open-minded on the arrangement, if the recipients so opted.

15. Expressing dissatisfaction at the absence of implementation details of the proposed scheme in the Administration's paper, Ms Emily LAU cast doubt on whether the scheme could be launched shortly. Ms LAU strongly requested the Administration to provide the concrete implementation timetable of the pilot scheme, particularly the time when low-income employees could apply for the subsidy.

16. Ms LI Fung-ying echoed similar views. Noting from the Administration's paper that the working group would study the recommendations made by CoP in detail and examine the implementation issues, Ms LI was concerned with whether the Administration would renege on its undertaking to launch the pilot scheme again. She urged the Administration to undertake to implement the scheme without further delay.

17. Miss CHAN Yuen-han said that the working poor living in remote areas had high expectation that the pilot transport support scheme would be launched shortly. Miss CHAN urged the Administration to provide details on the progress of implementation of the scheme, and resolve the operational arrangements with the operating NGOs as early as possible.

18. Secy/CoP said that at the CoP meeting on 23 January 2007, a consensus had been reached on the main features of the pilot scheme. LD would assume the overall responsibility for the implementation of the scheme, and was actively discussing with the relevant bureaux and departments as well as the NGOs concerned the operational arrangements of the scheme. The details would be announced once ready.

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19. Responding to Ms Emily LAU, Secy/CoP said that he was not in a position to advise whether the pilot scheme would be announced in the 2007-2008 Budget. However, he undertook to report to the Subcommittee the implementation progress of the scheme at the next meeting.

20. Mr LEUNG Kwok-hung recalled that at the last Subcommittee meeting, the Administration had pointed out that the provision of transport subsidy for low-income workers in remote districts involved complex policy and technical issues. As the Administration had undertaken to launch the pilot transport subsidy scheme, he believed that such issues should have been resolved and enquired about the details of policy and technical issues involved.

21. Secy/CoP responded that at the CoP meeting held on 23 January 2007, some of the complex policy and technical issues relating to the scheme had been resolved, such as whether the scheme would effectively become a new form of income supplement and the bureau/department which should assume overall responsibility for implementing the pilot scheme. The relevant bureaux and departments were working on the implementation details.

22. Mr LEUNG Yiu-chung considered that the Administration should make clear that the transport subsidy was an allowance for the working poor instead of a charity. Considering that job seekers in remote areas were usually low-skilled and low-educated workers who required longer time to seek employment, Mr LEUNG proposed that the Administration should study the length of unemployment of job seekers in remote areas so as to determine the appropriate duration for the Job Search Allowance.

23. Secy/CoP explained that the Job Search Allowance of \$600 was set after taking into consideration the prevailing transportation costs. It should be able to cover the travelling expenses incurred in searching for jobs in urban districts, and would be paid on a self-declaration basis. Secy/CoP said that the Administration considered that a cap should be put on the allowance, so as to prevent abuse by those without genuine needs for finding jobs. As regards the Cross-District Work Allowance, it would only be paid to those low-income workers who had found jobs across districts.

24. The Chairman pointed out that the working poor in remote areas might have different employment status at different times during the one-year pilot scheme, i.e. an unemployed person might seek a short-term employment across districts, but might become unemployed and had to seek employment again. The Chairman sought clarification as to how the amount of transport subsidy would be determined, for example, whether the recipient of the Job Search Allowance had to return the unused allowance if he found a job before using up the allowance, and whether the low-income worker had to apply for the

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Cross-District Work Allowance for a continuous period of six months within the one-year pilot.

25. Secy/CoP responded that while the implementation issues had yet to be worked out, the scheme was intended to be simple and easy to administer. The initial thinking was that a lump sum of Job Search Allowance would be given to the job seekers. They had to return the unused allowance if they found an employment and applied for the Cross-District Work Allowance. Moreover, the workers could apply for the Cross-District Work Allowance at any point in time throughout the one-year pilot scheme and receive the allowance for a period of not more than six months. If they had received the allowance for less than six months and become unemployed, they could apply for the balance of the Job Search Allowance for job searching. In short, each eligible low-income worker was entitled to a Job Search Allowance of \$600 and a Cross-District Work Allowance of a total of \$3,600 under the one-year pilot scheme.

26. Dr Fernando CHEUNG pointed out that most frontline social workers were currently under tremendous work pressure. While supporting the proposed arrangement of delivering the scheme through welfare NGOs, Dr CHEUNG said that additional resources should be provided to these organisations to meet the administrative expenses for operating the scheme.

27. Secy/CoP responded that the Administration was discussing with the NGOs concerned the implementation arrangements of the pilot scheme, including the resource implications. Additional resources would be provided to these NGOs to cover their administration expenses.

Review of and long-term arrangement for the pilot scheme

28. Dr Fernando CHEUNG considered there to be a continued need for the provision of transport subsidy for low-income workers in remote areas, as the relative lack of local employment opportunities in these areas had resulted from poor town planning which could not be resolved within a short period of time. Dr CHEUNG asked about the consideration factors for converting the pilot transport subsidy scheme into a long-term arrangement.

29. Secy/CoP responded that a review would be conducted on the proposed scheme after the end of the pilot. The Administration would take into account all the relevant factors in the review, which included the overall economic condition of Hong Kong and the availability of job opportunities in remote areas, the impact of the transport subsidy on the relevant policy issues, as well as the magnitude of the problem of abuse by those without genuine needs for the subsidy.

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30. Dr Fernando CHEUNG said that the review should be conducted before the end of the pilot scheme. He requested the Administration to submit an interim report six months after the scheme was launched. Ms LI Fung-ying made a similar request and enquired why the review would only be conducted after the end of the pilot. Ms LI considered that the progress of the scheme would become clear after a few months. If the review could be advanced, improvements to the arrangements could be made in a timely manner.

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31. Secy/CoP responded that it would be more appropriate to conduct a review of the scheme after the end of the pilot so as to obtain a more comprehensive picture on its implementation. Nevertheless, the Administration would provide an interim progress report to the Subcommittee if so required.

32. The Chairman said that as CoP would probably be dissolved by mid 2007, he was concerned about the absence of a designated organisation to assume the overall responsibility for reviewing the effectiveness of the pilot scheme.

33. Secy/CoP explained that CoP would prepare a report on its work to the Government in mid 2007, with a view to implementing short-term measures and making recommendations on the long-term poverty alleviation and prevention policies. He believed that when preparing the report, CoP would also consider whether the proposed duration of the transport support scheme should be extended.

34. Pending the outcome of the review, Mr LEE Cheuk-yan asked whether those low-income workers on Cross-District Allowance would be eligible for receiving the outstanding balance of the transport subsidy if they had not yet received their full entitlement by the end of the pilot. He hoped that the review could be advanced so that the subsidy would be provided for eligible workers without interruption if the scheme would continue to operate.

35. Echoing similar views, the Chairman considered that the review results should be announced prior to the end of the pilot, so that the recipients could be promptly informed whether the provision of transport subsidy would continue. In this regard, reference could be made to the CSSA Scheme, under which the CSSA recipients would continue to receive the prevailing payment rates until the revised payment rates took effect.

36. Secy/CoP responded that the review of the pilot scheme would commence before the end of the pilot run. He believed that eligible low-income workers could continue to receive the transport subsidy while the review was underway. He assured members that the Administration would take into account all the views on the scheme when conducting the review.

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37. In closing, the Chairman sought members' views as to whether the Subcommittee should proceed with the motion passed at the last meeting after taking into account the Administration's response. Members agreed that no further action would be taken at the moment. Members further agreed that the Subcommittee would follow up with the Administration the implementation progress of the pilot scheme at the next meeting.

II. Draft report on "Elderly in poverty"

[LC Paper No. CB(2)863/06-07(03)]

38. The Chairman said that the Legislative Council (LegCo) Secretariat had prepared a draft report on elderly in poverty, incorporating members' views on the subject. Referring to the draft report, the Chairman invited members to give views on the causes of and measures to assist elderly in poverty as well as the recommendations to alleviate the problems faced by elderly in poverty.

39. Miss CHAN Yuen-han pointed out that according to the Government's latest statistics, about 60% of the low-income families were elderly households, which reflected the magnitude of the problem of the elderly in poverty. As such, she would need more time to study the subject matter before providing further views and recommendations.

40. As regards measures to assist the needy elders, Ms LI Fung-ying noted that the number of elder abuse cases was on the increasing trend. To prevent further tragedies, Ms LI suggested that the Subcommittee should urge the Housing Department (HD) to adopt more flexibility in providing immediate housing assistance for potential victims of elder abuse cases. For example, HD should arrange household splitting for the victims of elder abuse if they were facing extreme difficulty in continuing to stay in the same public housing units with other family members. Ms LI said that needy elders not receiving CSSA were often excluded socially. She suggested to include the provision of transport subsidy to the elderly as measure to enhance their social life and participation in activities in the community. For instance, public transport operators should be requested to provide fare concessions to elders.

41. Ms Emily LAU expressed support for Ms LI Fung-ying's suggestions. Ms LAU noted that while some public transport operators such as the Star Ferry Company Limited had provided free service for elderly persons aged 65 or above, other operators had not done so. Ms LAU said that the issue of concessionary fares for people with disability had been discussed at length by the Subcommittee to Study the Transport Needs and Provision of Concessionary Public Transport Fares for Persons with Disability. The public transport operators had advised that they could not offer such concessions and considered that fare concessions for persons with disabilities should be a welfare initiative. Ms LAU considered

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that if members agreed in principle that concessionary fares for elders should be funded by the Government from a welfare perspective, the Subcommittee should urge the Administration to provide such subsidy for elders. Overseas experience could be drawn if necessary.

42. Echoing Ms Emily LAU's views, the Chairman said that to his knowledge, concessionary public transport fares were provided for senior citizens in some European countries. The Subcommittee might wish to study the reasons given by local public transport operators for declining to provide fare concessions to the needy persons including elders and persons with disabilities.

43. Mr James TIEN pointed out that unlike many public transport operators in overseas countries which were government-owned, most local transport operators were operating according to prudent commercial principles. In the light of the business environment faced by local public transport operators, Mr TIEN considered that subsidy on transport for elders should be provided by the Government. With its improving financial position, the Government should make efforts to alleviate the high transportation costs borne by the elderly.

44. Referring to paragraph 4.5 of the Chinese version of the draft report, Mr TAM Yiu-chung pointed out that the word "提供" should read as "提高". As regards paragraph 4.11, Mr TAM said that taxpayers living with their dependent parents/grandparents were entitled to an additional allowance of \$30,000 in a taxable year. Members agreed that the paragraph should be revised accordingly.

LegCo
Secretariat

45. The Chairman said that the LegCo Secretariat would incorporate members' views and suggestions in the draft report. The Subcommittee would continue discussion on the revised draft report at the next meeting. The Chairman asked members to forward any views to the LegCo Secretariat about 10 days before the next meeting.

III. Any other business

46. The Chairman said that the Subcommittee would discuss the development of social enterprises (SEs) after completing the study on the subject of elderly in poverty. As CoP and the Administration were also studying ways to promote the development of SEs in helping the disadvantaged, some members had proposed that it would be an opportune time for the Subcommittee to conduct a duty visit to obtain first-hand information on the successful experience of developing SEs in some overseas countries such as the United Kingdom (UK) and Spain. The proposed visit could be scheduled during the forthcoming summer recess.

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LegCo
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47. The Chairman said that the Subcommittee would further discuss the proposal at the next meeting. To facilitate members to consider the need for conducting the proposed overseas visit, the Chairman requested the LegCo Secretariat to prepare a paper setting out an overview of the experience of the development of SEs in UK and Spain, and the proposed timing and estimated budget of the visit.

48. Members agreed that the next meeting would be held on 8 March 2007 at 2:30 pm.

49. There being no other business, the meeting ended at 6:05 pm.

Council Business Division 2
Legislative Council Secretariat
2 March 2007