

立法會
Legislative Council

LC Paper No. CB(2)1769/06-07
(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 Monday, 26 March 2007, at 4:30 pm
in the Chamber 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 Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon CHAN Yuen-han, 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 Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon Alan LEONG Kah-kit, SC

Member attending : Hon WONG Kwok-hing, MH

Public Officers attending : 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 : Item II

Ms Elyssa WONG
Deputy Head (Research and Library Services Division)

Mr Simon LI
Research Officer 6

Items I and II

Mr Chris LAI
Senior Council Secretary (2) 7

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Implementation of measures to help the disadvantaged as proposed in the 2007-2008 Budget
[LC Paper Nos. CB(2)1187/06-07(01) and CB(2)1415/06-07(01)]

The Subcommittee deliberated (Index of proceedings attached at **Annex**).

Further discussion on the Transport Support Scheme

2. Members noted that after taking into account members' views at the last meeting, the Administration proposed further modifications to the pilot Transport Support Scheme (the pilot scheme) as detailed in its paper. The revised financial implications for the one-year pilot were estimated to be around \$336 million, excluding administrative costs. Members also noted that the Administration planned to submit the funding proposal to the Finance Committee for approval in April 2007, with a view to launching the pilot scheme in June or July 2007.

Action

Eligibility criteria for the pilot scheme

3. Members welcomed the Administration's proposal of relaxing the eligibility criteria for the pilot scheme and urged the Administration to implement the scheme as early as practicable.

4. Members raised the following issues of concern for the Administration's response –

- (a) whether low-income workers who received transport allowances provided by their employers would also be eligible for the scheme;
- (b) whether job seekers who sought employment to work for less than 18 hours a week would be eligible for the Job Search Allowance;
- (c) the pilot scheme should be extended to low-income workers living in districts other than the four remote areas if they had to commute long distance to work;
- (d) consideration should be given to providing transport subsidy for low-income workers who lived in Tung Chung and worked in Ngong Ping, on an exceptional basis having regard to the heavy transport costs per journey. The merits of each application would be considered by a working group;
- (e) the meaning of "self-employed" should be clearly spelt out to ensure that low-income workers in a so-called "self-employed" status could benefit from the scheme; and
- (f) as transport subsidy would not be counted as earnings under the Comprehensive Social Security Assistance Scheme, similar arrangement should be adopted for assessing the income limits for public rental housing.

5. Secretary to Commission on Poverty (Secy/CoP) made the following responses –

- (a) low-income workers receiving travel allowances from their employers would be eligible for the pilot scheme. However, for avoidance of double benefits, eligible applicants would need to declare that they did not receive concurrently similar subsidies financed by public funds;
- (b) a lump sum under the Job Search Allowance up to a maximum of \$600 would be provided for eligible job seekers who were actively

Action

seeking employment for an average of 18 hours or more a week to meet their needs for attending job interviews;

- (c) taking into account the fact that there were relatively fewer local job opportunities and the higher transport cost to work across districts, transport subsidy would only be provided for eligible employees in the four remote districts; and
- (d) a review would be conducted to assess the effectiveness of the pilot scheme.

Admin

6. In the light of members' views, Secy/CoP agreed to –
- (a) provide guidelines on the definition of "self-employed" for non-governmental organisations operating the scheme; and
 - (b) convey members' suggestion in paragraph 4(f) above to the Housing Authority for consideration.

Amount of Job Search Allowance

7. Members noted that the Administration did not propose to increase the amount of \$600 for the Job Search Allowance, for the reason that the amount of allowance was set at an acceptable level as an incentive to encourage job searches and in order to avoid abuses.

Review of the pilot scheme

8. Members present at the meeting held the view that there was a continued need for the provision of transport subsidy for low-income workers in remote areas to help them stay in employment. To ensure the continuity of the scheme, they strongly requested that the review of the pilot scheme should be completed before the end of the one-year pilot run so that the transport subsidy would be provided for eligible workers without interruption. Noting that CoP would be dissolved by June 2007, members expressed concern on the bureau/department which would assume responsibility for the implementation of the pilot scheme and for conducting the review.

9. Secy/CoP advised that as the Labour Department (LD) would oversee the implementation of the pilot scheme, the relevant bureau overseeing the LD would be responsible for the review. Secy/CoP assured members that the Administration would keep in view the implementation of the scheme before the end of the pilot and would take into account members' views. He added that eligible workers whose applications were approved during the one-year pilot scheme could continue to receive the allowances while the review was underway.

Action

Child development fund

10. Members noted that the Administration had earmarked \$300 million for the establishment of a child development fund as announced in the 2007-2008 Budget. Members were briefed on the major broad principles adopted by CoP as set out in the Administration's paper.

11. While expressing support for the setting up of a child development fund, members generally considered that instead of launching a short-term fund as proposed, sustainable assistance should be provided for children from a disadvantaged background to help them get out of poverty. Members were concerned that needy children and families were too poor to save, and suggested that measures should be introduced to encourage needy families to make contributions to the fund.

12. Secy/CoP pointed out that there were divergent views in the community towards the suggestion that the child development fund should be a universal scheme and last for a longer period of time. The initial thinking was to use the fund to encourage participating children to set special targets and plans for personal development. Secy/CoP said that CoP would discuss the detailed operation of the fund at its meeting in May 2007. The Administration would consult the Subcommittee on the proposal.

Admin

Development of social enterprises

13. Members noted the Administration's initiatives to further encourage the development of social enterprises (SEs) in Hong Kong, including training and business support, as well as efforts to create an enabling environment for SEs.

14. Members generally expressed disappointment at the absence of details in the Administration's paper about concrete measures to facilitate the development of SEs. They pointed out that according to overseas experience, government policies and measures played a vital role in facilitating the development and survival of SEs and requested the Administration to keep the Subcommittee informed of the concrete measures to be taken by the Government in this respect.

15. Secy/CoP responded that while government support was crucial to the development of SEs, according to CoP's discussions with the business and voluntary sectors, one of the most important factors contributing to the success of SE was whether SEs could become better businesses. CoP would further deliberate on the future direction and measures for promoting SE development in Hong Kong at its next meeting in May 2007. The Administration would revert to the Subcommittee on the proposed measures when ready.

Admin

Action

16. Members agreed that the Subcommittee would commence the study on the development of SEs after completing the current study on elderly in poverty.

II. Proposed research outline on the social enterprise policies of the United Kingdom, Spain and Hong Kong
[LC Paper No. CB(2)1187/06-07(02)]

17. Members considered and made some suggestions to the proposed research outline for the study on the social enterprise policies and their implementation in the United Kingdom, Spain and Hong Kong prepared by the Research and Library Services Division of the Legislative Council Secretariat. The Chairman said that the Secretariat would incorporate members' suggestions when preparing the research report.

LegCo
Secretariat

III. Any other business

18. There being no other business, the meeting ended at 6:45 pm.

Council Business Division 2
Legislative Council Secretariat
4 May 2007

**Proceedings of the meeting of the
Subcommittee to Study the Subject of Combating Poverty
on Monday, 26 March 2007, at 4:30 pm
in the Chamber of the Legislative Council Building**

| Time marker | Speaker(s) | Subject(s) | Action required |
|---|--|--|------------------------|
| <i>Agenda Item I – Implementation of measures to help the disadvantaged as proposed in the 2007-2008 Budget</i> | | | |
| <i>(a) Follow-up discussion on the pilot Transport Support Scheme</i> | | | |
| 000000 - 000200 | Chairman | Opening remarks by the Chairman | |
| 000201 - 000704 | Admin | Briefing by the Administration on the proposed modifications to the pilot Transport Support Scheme (pilot scheme) | |
| 000705 - 001243 | Chairman Mr TAM Yiu-chung Admin | Discussion on Mr TAM Yiu-chung's concern whether – (a) applicants who had received travel allowances provided by their employers would be eligible for the pilot scheme; (b) the pilot scheme would be extended to workers who lived in Tung Chung and worked in Ngong Ping having regard to the heavy transport costs per journey; and (c) a list of operating non-governmental organisations (NGOs) for the pilot scheme would be made public | |
| 001244 - 001820 | Mr WONG Kwok-hing Chairman Admin | Mr WONG Kwok-hing's suggestion that – (a) transport subsidy be provided to low-income workers who lived in Tung Chung and worked in Ngong Ping, on an exceptional basis because of the heavy transport cost. The merits of each application would be considered by a working group; and (b) the review of the pilot scheme should be conducted timely to ensure the continued provision of transport subsidy for low-income workers | |
| 001821 - 002414 | Mr LEE Cheuk-yan Chairman Admin | Discussion on Mr LEE Cheuk-yan's suggestions that – (a) the Cross-District Work Allowance should be provided for 12 months; and (b) the review of the pilot scheme should be conducted six months after the launch of the scheme so that low-income workers could continue to receive the transport subsidy after the pilot run | |

| Time marker | Speaker(s) | Subject(s) | Action required |
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| 002415 - 003035 | Dr Fernando CHEUNG Admin | Dr Fernando CHEUNG's requests that – (a) a designated bureau/department should assume the overall responsibility for overseeing the implementation of the pilot scheme; (b) an independent bureau/department should be commissioned to conduct the review of the pilot scheme; (c) consultation with operating NGOs should be made regarding the additional resources required for implementing the pilot scheme; and (d) an appeal mechanism should be set up to handle cases where the applicants were aggrieved with the results | |
| 003036 - 003508 | Ms LI Fung-ying Chairman Admin | Views of Ms LI Fung-ying that – (a) the pilot scheme should be extended to low-income workers living in districts other than the four remote areas if they had to commute long distance to work; and (b) the review of the pilot scheme should be completed within the one-year pilot run | |
| 003509 - 004112 | Mr Albert HO Admin | Views of Mr Albert HO that there was a continued need for the provision of transport subsidy for low-income workers and a designated bureau/department should be responsible for coordinating anti-poverty measures after the expiry of the tenure of the Commission on Poverty (CoP) | |
| 004113 - 004742 | Miss CHAN Yuen-han Admin | Views of Miss CHAN Yuen-han that – (a) the pilot scheme should be extended to low-income workers in other districts if they had to commute long distance to work and continue to operate after the one-year pilot run; and (b) there should be a designated department/bureau to assume responsibility for reviewing the effectiveness of the pilot scheme, as the CoP would be dissolved by June 2007 | |
| 004743 - 005313 | Chairman Admin | The Chairman's enquiry whether – (a) applicants seeking employment for less than 18 hours a week would be eligible for the Job Search Allowance; (b) self-employed persons (such as those who run a small business) would be eligible for | |

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| | | <p>the Cross-District Work Allowance; and</p> <p>(c) transport subsidy would not be counted as earnings for assessing the income limits for public rental housing</p> | <p>Admin to follow up (para. 6(b) of minutes refers)</p> |
| 005314 - 005845 | Mr LEUNG Kwok-hung Admin | Request for providing transport subsidy for the needy who had to commute long distance for special needs other than employment, such as attending medical appointments | |
| 005846 - 010213 | Chairman Mr WONG Kwok-hing Admin | Discussion on Mr WONG Kwok-hing's concern about the absence of LD offices in Tung Chung to accept applications for transport subsidy and the suggestion of creating local employment opportunities in remote areas | |
| 010214 - 010527 | Mr LEE Cheuk-yan Chairman Admin | Mr LEE Cheuk-yan's concern about the absence of a designated bureau/department to monitor the implementation of the pilot scheme and to review its effectiveness as the tenure of CoP would expire by June 2007 | |
| 010528 - 011119 | Dr Fernando CHEUNG Chairman Admin | <p>Views of Dr Fernando CHEUNG that –</p> <p>(a) there was a continued need for the existence of CoP to coordinate anti-poverty measures; and</p> <p>(b) the definition of "employees in essence" in paragraph 8 of the Administration's paper should be clearly set out to ensure that eligible workers could benefit from the pilot scheme</p> | <p>Admin to provide guidelines (para. 6(a) of the minutes refers)</p> |
| <i>(b) Child development fund</i> | | | |
| 011120 - 011417 | Chairman Admin | Briefing by the Administration on CoP's deliberations on the proposal of setting up of a child development fund | |
| 011418 - 011853 | Chairman Mr WONG Kwok-hing Admin | <p>Discussion on Mr WONG Kwok-hing's concern whether –</p> <p>(a) different child development funds would be set up to cater for the specific needs of children and youth at different age groups; and</p> <p>(b) support would be provided for children and their families from a disadvantaged background, who were too poor to save, to make contribution to the funds</p> | |
| 011854 - 012637 | Mr LEE Cheuk-yan Admin | <p>Mr LEE Cheuk-yan's enquiry about –</p> <p>(a) measures to be taken to reach out "hidden needy families" which were not known to</p> | |

| Time marker | Speaker(s) | Subject(s) | Action required |
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| | | <p>the existing support network and to encourage them to participate in the funds; and</p> <p>(b) the proposed amount of target savings for each beneficiary</p> | |
| 012638 - 012924 | Dr Fernando CHEUNG Admin | View of Dr Fernando CHEUNG that a universal and longer-term child development fund should be launched to provide sustainable assistance for needy children and families to help them get out of poverty | |
| 012925 - 013405 | Ms LI Fung-ying Admin | <p>Discussion on Ms LI Fung-ying's suggestions that –</p> <p>(a) the definition of "children from a disadvantaged background" should be clearly set out;</p> <p>(b) a longer-term plan should be formulated for the establishment of child development fund; and</p> <p>(c) in addition to money savings, other forms of contributions by children and youth should be allowed, such as volunteer work and academic achievements</p> | |
| 013406 - 013930 | Mr LEUNG Kwok-hung Admin | Views of Mr LEUNG Kwok-hung that education was a vital tool for children from a disadvantaged background to get out of poverty and needy families were too poor to save | |
| 013931 - 014605 | Chairman Mr WONG Kwok-hing Admin Dr Fernando CHEUNG | <p>Mr WONG Kwok-hing's enquiry about concrete measures to be taken to encourage and facilitate savings by children and families from a disadvantaged background</p> <p>Dr Fernando CHEUNG's concern about the effectiveness of Administration's proposal to address the problem of intergenerational poverty</p> <p>The Administration's advice that CoP would discuss the detailed operation of the fund at its meeting in May 2007, and that the Administration would consult the Subcommittee on the proposal.</p> | Admin to follow up (para. 12 of minutes refers) |
| <i>(c) Development of social enterprises</i> | | | |
| 014606 - 014957 | Mr WONG Kwok-hing Admin | Discussion on Mr WONG Kwok-hing's suggestions for creating an enabling environment to facilitate the development of social enterprises (SEs) in Hong Kong | |
| 014958 - 015624 | Mr Ronny TONG Admin | <p>Discussion on Mr Ronny TONG's views that –</p> <p>(a) the government played a vital role in encouraging and supporting the</p> | |

| Time marker | Speaker(s) | Subject(s) | Action required |
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| | | <p>development of SEs; and</p> <p>(b) the problems faced by SEs, which were usually small-medium enterprises, were the starting up of and sustaining the businesses</p> | |
| 015625 - 020014 | Chairman Dr Fernando CHEUNG Admin | Government support measures, especially the procurement policies, to facilitate the development of SEs | |
| 020015 - 020404 | Ms LI Fung-ying Admin | Views of Ms LI Fung-ying that SEs should be given preferential treatment in awarding government contracts to facilitate their survival and development | |
| 020405 - 020749 | Chairman Admin | <p>Discussion on the Chairman's suggestions for –</p> <p>(a) providing low-interest or interest-free loans as start-up financial support for SEs;</p> <p>(b) stipulating a fixed percentage of government contracts to be awarded to SEs;</p> <p>(c) providing rent concessions for SEs in leasing premises under the management of the Housing Authority or other Government departments; and</p> <p>(d) promoting more effective collaboration between the business sector and SEs/NGOs interested in running SEs</p> | |
| 020750 - 021224 | Mr LEE Cheuk-yan Admin | <p>Discussion on the views of Mr LEE Cheuk-yan that –</p> <p>(a) a designated body should be set up to assume overall responsibility for coordinating support measures to facilitate the development of SEs; and</p> <p>(b) giving preferential treatment to SEs employing able-bodied unemployed in awarding public contracts might result in displacement of existing workers</p> | |
| 021225 - 021236 | Chairman Admin | Administration's remarks that CoP would further deliberate on the promotion of SE development and the Administration would revert to the Subcommittee on the proposed measures | Admin to follow up (para. 15 of minutes refers) |
| <i>Agenda Item II – Proposed overseas duty visit to study the development of social enterprises</i> | | | |
| 021237 - 021450 | Chairman Ms LI Fung-ying | Ms LI Fung-ying's suggestion to include in the research report government policies in the selected places to promote the activities and financing of SEs, and the assistance provided by these governments for solving problems encountered by the SE sectors | LegCo Secretariat to follow up |

| Time marker | Speaker(s) | Subject(s) | Action required |
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| 021451 - 021603 | Chairman Mr LEE Cheuk-yan | Mr LEE Cheuk-yan's suggestion of studying the roles played by successful business leaders in setting up and running SEs in selected places | LegCo Secretariat to follow up |
| <i>Agenda Item III – Any other business</i> | | | |
| 021604 - 021630 | Chairman | Date of next meeting | |

Council Business Division 2
Legislative Council Secretariat
4 May 2007