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Legislative Council

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LC Paper No. CB(2) 1841/04-05
(These minutes have been seen by
the Administration)

Subcommittee to Study the Subject of Combating Poverty

**Minutes of meeting
held on Thursday, 28 April 2005 at 4:30 pm
in the Chamber of the Legislative Council Building**

Members present : Hon Frederick FUNG Kin-kee, JP (Chairman)
Hon James TIEN Pei-chun, GBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon Ronny TONG Ka-wah, SC
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin

Members absent : Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Kwok-hing, MH

Public officers attending : Mr Henry TANG, GBS, JP
Financial Secretary

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Mrs Cherry TSE, JP
Secretary to Commission on Poverty

Mr KWOK Kwok-chuen, BBS, JP
Government Economist

Mrs Susan MAK, JP
Deputy Director of Administration (1)

Miss Shirley YUEN
Administrative Assistant to Financial Secretary

Ms Edna WONG
Assistant Secretary to Commission on Poverty

Clerk in attendance : Mrs Constance LI
Chief Council Secretary (2)5

Staff in attendance : Miss Betty MA
Senior Council Secretary (2)1

Ms Anna CHEUNG
Legislative Assistant (2)5

Agenda item III

Mr Watson CHAN
Head, Research and Library Services

Mr Simon LI
Research Officer 6

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I. Confirmation of minutes of meeting
[LC Paper No. CB(2) 1233/04-05]

The minutes of the meeting on 23 February 2005 were confirmed.

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II. Date of next meeting and items for discussion

[LC Paper Nos. CB(2) 1316/04-05(01)&(02)]

2. Members agreed to discuss the following items at the next meeting on 19 May 2005 at 4:30 pm -

- (a) Research report on “Benchmarks for granting subsidies or financial assistance to people in need in Hong Kong”
- (b) Combating poverty strategies in overseas countries
 - (i) Research report on “Poverty combating strategies in selected places”; and
 - (ii) Meeting with deputations on experience in combating poverty in other places; and
- (c) School-based after-school learning and support programmes.

3. Members also agreed to the proposed items for discussion at the meeting in June 2005 as listed in LC Paper No. CB(2) 1316/04-05(02).

Operation of the Subcommittee and Commission on Poverty (CoP)

4. Miss CHAN Yuen-han said that when CoP discussed the set of poverty indicators at its last meeting in April 2005, some non-governmental organisations (NGOs) had wished to reflect their views or give input to CoP on the matter, but there were no channels for them to do so. The NGOs had expressed grave concern that the poverty indicators would be formally adopted by CoP without considering their views. Miss CHAN considered that it would be more appropriate for the Subcommittee to hold its meetings before that of CoP, so that the relevant proposals of CoP could first be discussed by the Subcommittee with a view to gauging public views on these proposals for consideration by CoP.

5. Miss CHAN Yuen-han further said that it was the existing practice that the Administration would brief/consult the relevant Panels on new policies or proposals before implementation. While she had no strong views as to whether CoP or the Subcommittee should take the lead in discussing issues on combating poverty, she pointed out that CoP did not have a consultative mechanism, and the Subcommittee could fill the gap by reflecting public views to CoP.

6. Ms LI Fung-ying said that while she was a member of CoP, she was speaking in her capacity as a member of this Subcommittee. Ms LI expressed reservations about Miss CHAN Yuen-han’s suggestion. She considered that it was important for CoP to gauge the views of the community on its proposals and enhance the transparency of its work, and it should not rely on the Legislative Council (LegCo) to

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achieve the purpose. She considered that the Subcommittee should monitor the work of CoP, but not serve as the channel for CoP to gauge public views.

7. Ms Margaret NG agreed with Ms LI Fung-ying that the Subcommittee should monitor the work of CoP and not serve as a bridge for CoP to gauge public views. Ms NG said that it would be for CoP to make reports to this Subcommittee, and the latter would give its comments and views on CoP's work.

8. Mr Ronny TONG said that the Subcommittee should work in parallel with CoP. As both the Chairman and Deputy Chairman of the Subcommittee were also members of CoP, he believed that they could serve as a bridge between the Subcommittee and CoP in order to improve the communication and cooperation between the two bodies.

9. The Chairman said that he had explained at the last meeting that he was appointed to CoP on a personal basis and not as the Chairman of the Subcommittee. He therefore did not represent the Subcommittee when sitting on CoP. He further said that a communication mechanism between the Subcommittee and CoP should be worked out mutually.

10. Mr LEUNG Kwok-hung said that the crux of the problem was that CoP did not comprise members representing the grass-roots or the poor. Mr LEUNG held the view that the Administration should establish a consultative mechanism under CoP in an effort to gauge public views on different topics. To collect the views of the needy, CoP should include representatives from the needy, up to one-half of its membership. Mr LEUNG further said that LegCo would not be able to monitor the work of CoP as CoP was not a governmental organisation. He considered that the Financial Secretary (FS) should be responsible for reporting the work of CoP to LegCo.

11. Dr Fernando CHEUNG said that it was not that important for the Subcommittee to follow the agenda of CoP, since the Subcommittee could take the lead in discussing relevant topics and monitor the work of CoP. Dr CHEUNG further said that it was inappropriate for the Subcommittee to collect public views and convey the views to CoP. It should be for CoP to set up a social and economic forum modelled on the experience of Ireland for public consultations.

12. Mr LEE Cheuk-yan shared the views expressed by Dr Fernando CHEUNG. Mr LEE said that as CoP did not include representatives from grass-roots and district organisations, they had grave concern about the ways to reflect their views to CoP. Mr LEE further said that it was CoP's responsibility to address the dissatisfaction and concerns in the community, as it was not the responsibility of this Subcommittee to gauge community views on behalf of CoP. Mr LEE added that if CoP did not agree to set up a forum for public consultations, Members might choose not to support CoP's staffing proposals.

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13. The Chairman pointed out that 16 topics had been included in the work plan of this Subcommittee, and these topics would be discussed at an appropriate time. The Subcommittee would also invite CoP to brief members on its work.

14. FS gave the following responses to members' views and concerns –

- (a) Government attached great importance to poverty alleviation, and the 2005 Policy Address clearly pointed out that poverty was an important area which Government would give priority. CoP was subsequently set up to coordinate the work of different bureaux and departments and mobilise community resources to prevent and alleviate poverty;
- (b) in addition to the Principal Officials of relevant bureaux, CoP comprised members of different background including businessmen, NGOs and academics. The representatives of NGOs were well versed with the needs of different target groups;
- (c) CoP would engage relevant parties to advise on ways to alleviate poverty. CoP would make periodic reports to the Subcommittee on its work progress;
- (d) while the Chairman and Deputy Chairman of the Subcommittee were not representing the Subcommittee when serving on CoP, should there be important issues or views which the Subcommittee would like to raise with CoP, he considered that the Chairman or Deputy Chairman of the Subcommittee could convey such views to CoP; and
- (e) as it was not possible to include all interested parties in CoP, CoP had set up a website and welcomed any views and suggestions on ways to prevent or alleviate poverty.

15. Dr Fernando CHEUNG stressed that the Administration should respond to the strong calls from NGOs on the setting up of a public consultative mechanism under CoP for collecting public views. Dr CHEUNG said that CoP should formulate policies on preventing and alleviating poverty, and monitor their implementation.

16. Mr LEUNG Kwok-hung said that as CoP did not comprise members from the needy, it should establish a consultative channel to collect public views in order to better understand the needs of the poor. Mr LEUNG further said that he was disappointed to learn that CoP was only one of the 600 advisory bodies established by Government. He did not believe CoP could achieve any noticeable results, in the absence of a concrete policy agenda and provisions for alleviating poverty.

17. Mr LEUNG Yiu-chung said that the role, functions and objectives of CoP were not clear. Mr LEUNG wondered how CoP could perform its consultative role if it did not provide any channels for collecting public views. He said that although CoP

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included members from NGOs, these members did not represent their respective organisations. He questioned how CoP could coordinate the work of NGOs and involve them in implementing measures to alleviate poverty.

18. Referring to the draft paper for the Establishment Subcommittee (ESC), FS said that the terms of reference of CoP was –

- (a) to study and identify the needs of the poor;
- (b) to make policy recommendations to prevent and alleviate poverty and promote self-reliance; and
- (c) to encourage community engagement, delineate responsibility between the government, social welfare sector and community organizations, foster public-private partnerships and mobilise social capital in alleviating poverty.

FS said that the four Principal Officials sitting on CoP would be responsible for implementing the policies as agreed by CoP. He added that CoP had adopted a district-based approach in identifying and addressing the needs of the poor, and it would consult relevant parties on specific topics as necessary.

19. The Chairman said that most members of the Subcommittee were of the view that CoP should establish a consultative mechanism to gauge public views. He requested the Administration to consider members' views and provide a paper on the consultative mechanism of CoP.

20. FS reiterated that some members of CoP were experienced representatives of the welfare sector, and they had good understanding of the issues at stake.

21. Mr LEE Cheuk-yan said that while he did not have doubts about the experience and representativeness of these CoP members, CoP should provide a public forum to engage the views of different sectors on each specific topic.

22. Dr Fernando CHEUNG expressed concern that if CoP would not be responsible for formulating and implementing measures to alleviate poverty, CoP was simply one of the many advisory bodies. If this was the case, he did not see the need for CoP to be headed by FS and supported by senior government officials. He also did not see the need for the staffing proposal of the Commission Secretariat, as the total staff costs would amount to \$10 million a year.

23. Mr James TIEN agreed that it would be useful if CoP would consider holding public hearings for specific areas of work. CoP could also encourage interested parties or individuals to provide written submissions to CoP. He believed that the Administration had sincerity in tackling the problem of poverty, as CoP was headed by FS with four bureaux secretaries as members.

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24. Mr Albert HO agreed that it would be difficult for CoP, being an advisory body, to formulate policies on combating poverty. However, he believed that under the chairmanship of FS, CoP should be able to critically review the existing policies and come up with measures to prevent and alleviate poverty.

25. Mr LEUNG Kwok-hung said that CoP should formulate anti-poverty policies for public consultation.

26. Concluding the discussion, the Chairman said that most members of the Subcommittee strongly requested CoP to put in place a consultative mechanism.

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27. FS stressed that poverty alleviation was a complex issue, hence gauging views from the public needed to be conducted in a systematic manner. To address members' concerns, FS said that the Administration would provide a paper on the consultative mechanism which the CoP would make use of in gauging public views concerning poverty alleviation measures.

III. Proposed research outline on social security system for retirement protection in selected places

[LC Paper No. CB(2) 1378/04-05(01)]

28. The Chairman invited members' views on the proposed research outline on the social security system for retirement protection in selected places. He said that members agreed at the last meeting that the Research and Library Services Division of the LegCo Secretariat would be requested to conduct the research study.

29. Mr James TIEN said that he was not aware of the request for a research study. While he had no strong views against the request, he considered that it would be more appropriate for the Panel on Welfare Services to pursue the subject. Mr TIEN pointed out that CoP would also look into the needs of the elderly.

30. Dr Fernando CHEUNG explained that Ms Emily LAU and he had suggested at the last meeting that the Subcommittee should study the social security system for retirement protection, as it would be the most effective solution to solve the problem of elderly in poverty.

31. Members did not raise further questions on the proposed research outline.

IV. Work progress of the Commission on Poverty and staffing proposal of the Commission Secretariat

[LC Paper No. CB(2) 1316/04-05(03)]

32. At the invitation of the Chairman, Secretary to CoP (Secy/CoP) briefed members on the work of CoP as detailed in the paper. Secy/CoP said that at its meeting on 11 April 2005, CoP agreed to focus its work on three key social groups, namely children/youth, working people, the elderly, as well as the community, for which short-term and longer term work programme would be drawn up. CoP had also considered a set of indicators for reflecting the poverty situation of three key social groups and the community. Secy/CoP said that the Administration proposed to create two supernumerary directorate posts for two years to provide secretariat support to CoP. The staffing proposal was set out in the draft ESC paper attached to the Administration's paper.

Indicators of poverty

33. Referring to the indicators for monitoring the situation of poverty among working people/adults aged 15 to 59, Mr LEE Cheuk-yan said that the Administration should consider adding the following indicators –

- (a) employed persons working 35 hours and above per week and with monthly employment earnings less than two-third of the median wage; and
- (b) persons living in households with income not exceeding average household income.

Mr LEE pointed out that the above indicators had been adopted in other places for measuring poverty and conducting research studies.

34. Mr LEE Cheuk-yan further said that the indicators adopted by CoP for monitoring the situation of elderly in poverty had left out those elders who lived with family members but did not receive Comprehensive Social Security Assistance (CSSA). He explained that in some cases, low-income families did not apply for CSSA even though they were eligible. The elders living in these families were living in poverty as their family members could not provide financial support to them.

35. Mr Ronny TONG said that LegCo had passed a motion at the meeting of 6 April 2005 urging the Administration to address the feminization of poverty and formulate concrete policies and measures in various policy areas to assist women in poverty. In this connection, Mr TONG considered that the Administration should adopt indicator(s) to monitor the situation of women in poverty, especially single-parent mothers.

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36. FS agreed that compilation of relevant indicators would be useful to track and monitor poverty situation in Hong Kong over time and to facilitate broad strategy planning. On the concerns about women in poverty, FS said that CoP would work with the Women Commission to address the issues, bearing in mind the need to avoid duplication of work.

Staffing proposal of CoP Secretariat

37. Mr Albert HO said that he believed that the Government was serious in combating poverty, as CoP was chaired by FS and attended by four bureaux secretaries. As poverty alleviation was a complex issue which involved different policy areas, Mr HO agreed that it would be difficult to take forward the work of CoP without adequate staffing support for the purpose. He said that he would agree to the staffing proposal so that CoP could start work.

38. Mr James TIEN said that it was understandable that additional staffing was required to consider measures to alleviate poverty. However, he had reservations that the work could be completed in two years. Mr TIEN further said that Members belonging to the Liberal Party considered that, as a matter of principle, it was not appropriate to create supernumerary directorate posts if there was a need to extend the period of such posts after two years. Mr TIEN pointed out that Members from cross parties had earlier agreed that the permanent directorate establishment in the civil service should be capped at the level of 1 488 posts. He stressed that if there was a need to create two permanent directorate posts for the CoP Secretariat, two posts in comparable ranks should be deleted, in order to keep the directorate establishment within the 1 488 posts.

39. FS responded that CoP would enhance integration of the work of different bureaux and departments in alleviating poverty, and a review would be conducted in two years' time on how the work on poverty alleviation should further proceed. A fresh staffing proposal would be submitted to LegCo if there was a continued need for the posts in the CoP Secretariat. FS said that subject to members' views, the Administration intended to submit the staffing proposal to ESC for consideration at its meeting on 18 May 2005.

40. Mr James TIEN asked about the reason for the increase in permanent directorate posts in the Offices of the Chief Secretary for Administration (CS) and FS from 26 in 2004 to 32 in 2005. He considered such increase undesirable.

41. Deputy Director of Administration explained that the increase in directorate posts since 1 April 2004 was mainly due to the setting up of the Economic Analysis and Business Facilitation Unit under the FS Office, which was to take over some of the responsibilities transferred from the Commerce, Industry and Technology Bureau and Financial Services and the Treasury Bureau. The same number of posts at the same rank had been deleted in these two latter Bureaux, and no additional staff cost was incurred.

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42. Mr James TIEN stressed that the Administration should keep the directorate establishment within the limit of 1 488 posts, and it would not be appropriate to exceed the limit by creating supernumerary posts. Mr TIEN said that the Administration should propose to create two permanent directorate posts for the CoP Secretariat instead, to be offset by the deletion of posts in comparable ranks, in order to contain the size of the directorate in the civil service. If there was no further need for these posts after the review, the Administration could redeploy these two posts for other purpose.

43. FS said that the Administration was unable to identify two directorate posts for deletion at the moment, as all the directorate posts in the civil service were fully engaged. He added that the Administration would consider revising its staffing proposal to create two permanent directorate posts in the CoP Secretariat if members agreed to the exceptional arrangement that deletion of two directorate posts was not required.

44. Mr LEE Cheuk-yan said that according to the principles agreed earlier among Members, staffing proposals involving the creation or retention of supernumerary directorate posts would be considered on a case by case basis. Mr LEE further said that he had no strong views against the staffing proposal if CoP would conduct public consultations and introduce new measures to alleviate poverty. He pointed out that the launch of the pilot Head Start Programme and school-based after-school learning and support programmes had already been announced in the 2005 Policy Address, and CoP had not introduced any new initiatives since its establishment. Moreover, CoP had yet to provide a concrete work plan. Mr LEE added that the staffing proposal would give the public an impression that CoP was more concerned about creating senior posts for government officials than introducing measures to alleviate poverty.

45. Dr Fernando CHEUNG commented that CoP had adopted a very narrow approach of work, as it had adopted a district-based approach in tackling the problem of poverty. This was in fact deviating from its coordinating role and reducing its scope of work from a macro perspective to a district level. He considered that CoP should coordinate central policies in respect of poverty alleviation; otherwise, district organisations would have to find resources to take forward individual programmes on their own. Dr CHEUNG reiterated that he could not support the staffing proposal which involved an annual cost of about \$10 million, if CoP was only an advisory body and would not coordinate central policies.

46. Ms Margaret NG said that she did not object to the staffing proposal if CoP could provide a concrete work plan or devise evaluation indicators. To address members' concerns that CoP's work might become protracted without any significant results in alleviating poverty or reducing the gap between the rich and the poor, Ms NG suggested that the terms of reference of CoP should incorporate the following –

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- (a) the CoP Secretariat should, as directed by CoP, draw up a set of objective indicators of poverty to be used to measure the present state of poverty in Hong Kong and any effect of new policy initiatives;
- (b) policy recommendations should be preceded by –
 - (i) a review of present policies which addressed the problem of gap between rich and poor, in connection with which CoP should have full power to request for material and information from the departments;
 - (ii) on the basis of (b)(i) above, together with response from the relevant departments and the community, identify gaps and deficiencies; and
- (c) a time line should be set for the completion of the tasks above.

Ms NG further said that she would reserve her support for the staffing proposal if the Administration did not take forward her suggestions. Ms NG added that she would put her comments in writing to facilitate the Administration's consideration.

(Post-meeting note : Ms Margaret NG's letter dated 29 April 2005 to FS and the reply from Secretary to CoP dated 6 May 2005 were circulated to members vide LC Paper No. CB(2) 1464/04-05 and CB(2) 1597/04-05 respectively.)

47. The Chairman shared a similar view with Ms Margaret NG. The Chairman said that he would support pitching the two directorate posts at D4 and D2 respectively if they would be responsible for the activities suggested by Ms Margaret NG in paragraph 46 above.

48. Mr LEUNG Kwok-hung said that it was LegCo's responsibility to monitor the performance and expenses of Government. In the absence of a concrete work plan for CoP, he did not consider it appropriate for Members to support the staffing proposal. He urged the Administration to provide the Subcommittee with a concrete work plan of CoP before Members were requested to consider the staffing proposal. Mr LEUNG reiterated that CoP should establish a consultative mechanism to collect public views on poverty alleviation strategies.

49. Mr Abraham SHEK expressed support for the staffing proposal in order that CoP could start work as early as possible.

50. Responding to members' concerns, FS stressed that the work of CoP would include making policy recommendations to prevent and alleviate poverty. In view of the different needs in various districts, it would adopt a district-based approach to take forward measures to alleviate poverty, while CoP would examine policies at the central level at the same time. FS said that CoP would first focus on preventing and

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tackling inter-generational poverty, and CoP had also agreed that a task force on children would be formed for the purpose.

51. Mr Albert HO said that preventing and tackling inter-generational poverty would be a long-term work programme of CoP. He considered that as a first step, CoP should review those policies which had great impact on the livelihood of the poor and provide immediate assistance to the needy, e.g. review the level of CSSA for the elderly. Mr HO added that the Committee on Economic, Social and Cultural Rights had previously commented on the poverty situation in Hong Kong. He hoped that CoP should give due regard to its comments and formulate corresponding anti-poverty strategies.

52. FS said that CoP would take immediate actions to alleviate poverty as far as practicable. He said that following the visit of CoP to Tin Shui Wai, corresponding measures had already been implemented to tackle local issues.

53. The Chairman said that the Administration and CoP Secretariat should take note of members' views when preparing the staffing proposal for consideration by ESC.

54. There being no other business, the meeting ended at 6:15 pm.

Council Business Division 2
Legislative Council Secretariat
7 June 2005