

**Motion Debate on “Alleviating the disparity between the rich and the poor
and assisting the grassroots in facing up to economic adversities”
at Legislative Council Meeting on 3 December 2008**

Progress Report

Purpose

In response to the motion on “Alleviating the disparity between the rich and the poor and assisting the grassroots in facing up to economic adversities” carried at the Legislative Council (LegCo) meeting on 3 December 2008, this paper briefs Members on the major poverty alleviation measures of the Government in assisting the low-income groups in face of economic adversities.

Implementation of the recommendations of the former Commission on Poverty

2 The Government has established a Task Force on Poverty (the Task Force), which is headed by the Secretary for Labour and Welfare and comprises relevant bureaux / departments as members. One of the key tasks of the Task Force is to co-ordinate the Government’s efforts in tackling poverty related issues and monitor the progress in implementing recommendations made by the former Commission on Poverty. Some of these recommendations have already been implemented (e.g. the Transport Support Scheme (TSS), Child Development Fund (CDF), relaxation of the disregarded earnings under the Comprehensive Social Security Assistance (CSSA) Scheme, Home Improvement Scheme for the Elderly, as well as strengthening assistance to hidden and singleton elders for social inclusion etc). The rest have already developed concrete implementation plans (e.g. the Employees Retraining Board (ERB) will further increase the number of training places to enhance its training services, and a new Amenity and Community Building will be constructed in Tin Shui Wai etc).

Transport Support Scheme

3 At present, TSS covers the four designated remote districts of Yuen Long, Tuen Mun, North and Islands. These districts are commonly considered to be more remote and with fewer job opportunities. Should TSS be extended to all other

districts, the subsidy would be turned into another form of income supplement for low-income employees, which would depart from the policy intent of TSS.

4 The Labour Department (LD) implemented the relaxation measures to TSS in July 2008 and received many applications. Notwithstanding these relaxation measures, we understand that the community is concerned about further improvement measures of TSS. LD will continue to monitor closely the implementation of the relaxed scheme and gauge the views from different quarters of the community. As stated when the relaxation measures were announced, LD will, as necessary, conduct a review of the implementation of the relaxed scheme at least one year after its commencement, when detailed statistics should be available for a comprehensive evaluation of the outcome and effectiveness of TSS.

Child Development Fund

5 The \$300 million CDF was established in 2008 with a view to trying out a new model for promoting the longer-term development of children from a disadvantaged background. The three key components of CDF - namely, personal development plans, mentorship programme and targeted savings - will enhance the children's abilities to manage resources and plan for their own future. With the CDF Launching Ceremony held on 23 November 2008, the first batch of seven pioneer projects covering the whole territory commenced operation in December 2008. The operating non-governmental organisations (NGOs) will complete the recruitment of participating children and mentors by end-March 2009. A Steering Committee has been set up under the Labour and Welfare Bureau to oversee and monitor the implementation of CDF. The Government has also commissioned a study to evaluate the first batch of CDF pioneer projects.

Encourage CSSA recipients to return to work

6 The Social Welfare Department (SWD) has been assisting able-bodied unemployed CSSA recipients to secure full-time paid employment. Under the CSSA Scheme, SWD has been implementing the Support for Self-reliance (SFS) Scheme to provide able-bodied CSSA recipients with employment assistance services, so as to motivate them to move from "welfare to self-reliance" as early as possible. These services include job matching, post-placement support and arranging community

work which helps develop work habit and enhance self-esteem. As at October 2008, a total of 29 516 CSSA recipients participating in the SFS Scheme successfully left the CSSA net after securing full-time paid employment.

7 The provision of disregarded earnings (DE) under the CSSA Scheme allows CSSA recipients who work to be financially better off than those relying entirely on CSSA, thus encouraging those who can work to find and remain in employment. Under existing arrangements, monthly earnings from employment can be partially disregarded up to a maximum of \$2,500 per month. For example, the average monthly CSSA payment for a 4-person family is now about \$9,920. With a maximum DE of \$2,500, the average income of such a family could reach \$12,420.

Short-term Food Assistance

8 The Finance Committee of LegCo approved the allocation of \$100 million to SWD in December 2008 for working with NGOs in implementing five short-term food assistance service projects covering the whole territory. This initiative aims to provide immediate and direct food assistance for individuals or families who have difficulties coping with daily food expenditure (including those among the unemployed, low-income earners, new arrivals, street sleepers and individuals or families encountering sudden changes and facing immediate financial hardship) as well as those who have not benefited from any of the relief measures announced by the Government last year. The five operating NGOs have already commenced the service projects on 27 February 2009, which are expected to benefit at least 50 000 persons.

9 Apart from allocating \$100 million to set up five short-term food assistance service projects, the Government will continue to support other NGOs in operating short-term food assistance services. For instance, SWD will provide assistance as appropriate when these organisations apply for premises managed by the Housing Department at concessionary rent for operating food assistance services. Relevant organisations may also apply to SWD for rent and rate subsidy if they meet the eligibility criteria and pass the financial and service assessment. In addition, the Partnership Fund for the Disadvantaged may also provide funding support for NGOs running such services in partnership with the business sector. SWD will also refer donors of food and other daily necessities to concerned NGOs.

Employment

10 As announced by the Chief Executive in December 2008, the Government is expediting the recruitment of civil servants to fill some 7 700 civil service vacancies from December 2008 to March 2010. These vacancies include newly created posts as well as vacancies arising from wastage (such as retirement and resignation etc). The vacancies have various academic requirements and cover different professions and job categories. More than half of them require Form Five qualification or below.

11 Besides, the Financial Secretary has also announced some targeted measures in the 2009-10 Budget to provide various types of jobs and internship opportunities. These measures include earmarking \$400 million non-recurrent funding for LD to enhance and integrate its various employment programmes to provide training and employment opportunities for the needy; provision of additional funding of \$13 million for LD to adopt a more proactive approach in providing employment assistance to those made redundant during the financial crisis; earmarking some \$140 million for the launch of the “Internship Programme for University Graduates” in the middle of this year, which will provide interested graduates with opportunities to work as interns and receive training in local or Mainland enterprises for 6 to 12 months; and provision of an additional \$1.1 billion non-recurrent funding to provide various types of jobs in different policy areas etc.

Training and Retraining Courses

12 ERB endeavours to provide training and retraining courses to the unemployed and local workforce to assist them in acquiring the necessary vocational skills and recognised qualifications under the Qualifications Framework, so as to enhance their employability and competitiveness. In the face of the financial turmoil, the demand for training and retraining is expected to continue to increase. ERB plans to provide at least 143 000 training places in 2009-10 (representing an increase of 20 000 training places as compared with 2008-09) which cover different industries and types to meet the training needs of its service targets. ERB partners with its approved training bodies (TBs) in offering training courses at training centres throughout the territory. The TBs of ERB include statutory bodies, NGOs, continuing education arms of universities and post-secondary institutions, as well as professional training organisations etc.

13 Besides, according to previous experience, some of the unemployed may pursue further studies to better equip themselves during economic downturn. The Education Bureau have appealed to post-secondary institutions to consider providing more courses that suit the needs of the unemployed, and quite a few institutions have made positive responses to the appeal.

Conclusion

14 The Government will continue to closely monitor the needs of the disadvantaged groups and adopt a multi-pronged approach to improve their livelihood.

Labour and Welfare Bureau

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