

The Legislative Council Meeting on 7 July 2010
Motion on “Report of the Subcommittee on Poverty Alleviation”

Progress Report

At the Legislative Council (LegCo) Meeting held on 7 July 2010, the following motion moved by Hon Frederick Fung Kin-kee was carried:

“That this Council notes the Report of the Subcommittee on Poverty Alleviation.”

This is a report on the follow-up actions taken by the Administration.

Social security

2. The Government helps needy families meet their basic living expenses through the Comprehensive Social Security Assistance (CSSA) Scheme. The standard payment rates of CSSA are adjusted annually in accordance with movements of the Social Security Assistance Index of Prices (SSAIP). The latest adjustment, which will increase the standard payment rate of CSSA by 3.4%, will take effect from 1 February 2011. To ensure that the SSAIP reflect more accurately the latest expenditure patterns of CSSA households, the Social Welfare Department (SWD) updates the weighting system of the SSAIP (i.e. the relative expenditure share of individual items of goods and services covered by the SSAIP) every five years with reference to the findings of the Household Expenditure Survey on CSSA Households. The updating exercise is underway.

3. To encourage CSSA recipients to seek and remain in employment, and eventually move towards self-reliance, SWD provides employment assistance services and community work opportunities for them under the Support for Self-reliance Scheme. From June 1999 to September 2010, nearly 110 000 CSSA recipients participating in the scheme had secured full-time paid employment. About 30% of them (nearly 32 000 recipients) had left the CSSA net.

Meeting the needs of specific groups

Helping Students to Access the Internet for Learning

4. To narrow the digital divide, the Administration has set up a new cash subsidy scheme in the 2010/11 school year to help students who need to access the Internet for learning pay Internet access charges. As at the end of November 2010, more than 200 000 low-income families had received the subsidy. Furthermore, we will engage a non-profit-making organisation to implement a five-year programme to provide low-income families with suitable and economical computers and Internet access services, and the necessary training and technical support. The organisation is expected to commence operation before the start of the 2011/12 school year. Before that, the Education Bureau will continue to provide recycled computers to eligible students through the Computer Recycling Programme.

Assisting low-income earners

5. To relieve the burden of transport costs on working members of low-income families who need to travel to and from work, and to encourage them to stay in employment, we propose to launch a territory-wide Work Incentive Transport Subsidy Scheme to replace the current Transport Support Scheme. Each eligible person will receive a monthly transport subsidy of \$600 and there is no time limit for the subsidy payment. We briefed the LegCo Manpower Panel in December 2010 and will seek LegCo FC's funding approval in January 2011.

Developing social enterprises

6. The Home Affairs Department encourages the establishment and development of social enterprises (SEs). It launched the Enhancing Self-Reliance Through District Partnership Programme in June 2006 to provide seed grants for non-governmental organisations to set up SEs, so as to promote sustainable poverty alleviation efforts at the district level and creating job opportunities for the disadvantaged. To date, about \$110 million in total has been granted to about 100 SE projects, creating some 1 700 job opportunities for the disadvantaged.

7. The Administration has, since 2007, sponsored the Centre for Entrepreneurship of the Chinese University of Hong Kong to organise the Hong Kong Social Enterprise Challenge – Business Plan Competition, with a view to discovering more potential social entrepreneurs and increasing students' understanding of SEs. The winning teams will be provided with internship award to realise their proposal. For the 2010 competition, the amount of the internship award will be increased to encourage the winning teams to devote more time to put their business plans into practice.

8. The Home Affairs Bureau sponsored and co-organised the Social Enterprise Summit 2010 in November 2010. It provides an important platform for people from different sectors and regions to exchange their views on the operation and future development of SEs.

Implementing district-based measures

9. District Officers of the Home Affairs Department work closely with District Councils (DCs) and district organisations in providing a diversity of community involvement programmes to meet district needs. They also support events organised by the DCs, such as the Tai Kok Tsui Temple Fair, Wan Chai Book Fair, Eastern District FARM Youth Culture and Entrepreneurship Corner, etc. These events do not only promote local characteristics and enhance community vitality and social cohesion, but also create employment opportunities and produce economic benefits. District Officers will continue their efforts in this regard.

10. Other policy bureaux and departments have also implemented district-based measures conducive to poverty alleviation. For example, the Development Bureau awarded the second batch of projects under the Revitalising Historic Buildings Through Partnership Scheme in September 2010, and SEs were encouraged to adapt the historic buildings for new commercial use. At the same time, the Hong Kong Housing Society is pressing ahead with the development of an Integrated Elderly Community Project in Tin Shui Wai Area 115. Meanwhile, the Housing Department will continue to encourage the contractors of the security and cleansing services in public estates in Tin Shui Wai to employ local residents; and the Administration will continue to encourage adaptation of industrial buildings for commercial and social uses to give fresh economic impetus to the community.

Monitoring the poverty situation

11. The Government has adopted the 24 multi-dimensional indicators proposed by the former Commission on Poverty (CoP) to monitor the poverty situation in Hong Kong from different perspectives.

12. The poverty situation in Hong Kong had continuously improved before the financial tsunami came in 2008. The poor population had decreased from 1 030 000 in 2003 to 710 000 in 2008. Nevertheless, owing to the financial tsunami, Hong Kong had experienced economic recession since the fourth quarter of 2008, and the poor population increased to 840 000 in 2009. As the economy steadily recovered in 2010, the labour market had also witnessed an obvious improvement. The unemployment rate has dropped from the peak of 5.5% last year to 4.1% recently, and the annual nominal wage recorded a growth of 2.2% in June 2010. Meanwhile, the number of CSSA cases dropped from 289 000 at the end of 2009 to 283 000 in November 2010. The number of unemployment CSSA cases, in particular, decreased from 33 000 to 30 200.

13. The inter-bureau/departmental Task Force on Poverty, led by the Secretary for Labour and Welfare, will continue to follow up on the recommendations of CoP, monitor the poverty situation in Hong Kong, co-ordinate efforts across the Government in poverty alleviation and explore new initiatives and measures to assist the disadvantaged groups and people in need.

Labour and Welfare Bureau
Development Bureau
Education Bureau
Home Affairs Bureau
Home Affairs Department
Housing Department
Office of the Government Chief Information Officer

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