

**立法會**  
**Legislative Council**

LC Paper No. CB(2)449/09-10  
(These minutes have been  
seen by the Administration)

Ref : CB2/PL/WS

**Panel on Welfare Services**

**Minutes of meeting**  
**held on Monday, 9 November 2009, at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon WONG Sing-chi (Chairman)  
Hon CHEUNG Kwok-che (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon LI Fung-ying, BBS, JP  
Hon Albert CHAN Wai-yip  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Ronny TONG Ka-wah, SC  
Hon Paul CHAN Mo-po, MH, JP  
Dr Hon LEUNG Ka-lau  
Hon IP Wai-ming, MH  
Dr Hon PAN Pey-chyou

**Members absent** : Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon TAM Yiu-chung, GBS, JP  
Hon WONG Kwok-kin, BBS

**Public Officers attending** : Items IV, V and VI  
  
Ms Irene YOUNG Bick-kwan  
Deputy Secretary for Labour and Welfare (Welfare)2

Item IV

Mrs Kathy NG MA Kam-han  
Assistant Director of Social Welfare (Elderly)

Dr Daisy DAI  
Chief Manager, Hospital Authority

Item V

Mr FUNG Pak-yan  
Deputy Director of Social Welfare (Administration)

Mr CHAN Wing-hoi  
Chief Social Security Officer (Social Security)<sup>2</sup>  
Social Welfare Department

Mr Kenneth NG Wing-cheung  
Senior Statistician (Social Welfare)  
Social Welfare Department

Item VI

Mr Matthew CHEUNG Kin-chung, GBS, JP  
Secretary for Labour and Welfare

Mr Franco KWOK Wai-fan  
Principal Assistant Secretary for Labour and Welfare (Poverty)

Ms Reddy NG Wai-lan  
Principal Economist (4)  
Economic Analysis and Business Facilitation Unit  
Financial Secretary's Office

**Clerk in attendance** : Miss Betty MA  
Chief Council Secretary (2) 4

**Staff in attendance** : Miss Florence WONG  
Senior Council Secretary (2) 5

Ms Karen LAI  
Council Secretary (2) 2

Miss Maggie CHIU  
Legislative Assistant (2) 4

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**I. Confirmation of minutes**

[LC Paper No. CB(2)97/09-10]

The minutes of the meeting held on 15 October 2009 were confirmed.

**II. Information paper(s) issued since the last meeting**

2. Members noted that no information papers had been issued since the last meeting.

**III. Items for discussion at the next meeting**

[LC Paper Nos. CB(2)179/09-10(01) and (02)]

3. Members agreed to discuss the following items proposed by the Administration at the next meeting to be held on 14 December 2009 at 10:45 am –

(a) Provision of additional subsidised residential care places as announced in the Policy Address 2009-2010; and

(b) New Dawn Project.

4. Mr CHEUNG Kwok-che said that the Panel passed a motion at the special meeting on 28 September 2009 requesting the Chief Executive (CE) to set up an independent commission of inquiry to investigate whether the Secretary for Home Affairs and the District Officer (Islands) had interfered with the professionalism of social workers in Tai O Neighbourhood Level Community Development Project in serving the community. Noting from the Chief Secretary for the Administration's reply to an oral question raised at the Council meeting on 21 October 2009 that the Administration would not carry out any independent investigation, Mr CHEUNG suggested that the Panel should discuss the proposal to appoint a select committee by the Legislative Council to inquire into issues relating to the incident at the next meeting. Members agreed.

**IV. Integrated Discharge Support Trial Programme for Elderly Patients**

[LC Paper Nos. CB(2)179/09-10(03) and (04)]

5. Deputy Secretary for Labour and Welfare (Welfare)2 (DS(W)2) briefed members on the latest progress of the Integrated Discharge Support Trial Programme for Elderly Patients (the Programme) as detailed in the Administration's paper. DS(W)2 said that it was not uncommon for elders to be re-admitted to hospitals or admitted to residential care homes for the elderly (RCHEs) shortly after hospital discharge due to the lack of discharge care plans

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and family and/or social support during the rehabilitation stage. Taking the advice of the Elderly Commission, the Labour and Welfare Bureau and the Social Welfare Department (SWD), in collaboration with the Hospital Authority (HA), launched the Programme in March 2008 to provide "one-stop" support services for elderly patients discharged from hospitals, so as to actualise the policy objective of promoting "ageing in place".

6. DS(W)2 further said that a one-off funding of \$96 million had been earmarked in the 2007-2008 Budget for running the Programme for three years. Three pilots were launched in March and August 2008, and July 2009 in Kwun Tong, Kwai Tsing and Tuen Mun respectively. The Discharge Planning Team (DPT) set up under the concerned HA hospital and the Home Support Team (HST) operated by a non-governmental organisation (NGO) under each pilot worked together to formulate discharge care plans for individual elderly patients. Depending on the needs of individual elderly patients, post-discharge services including rehabilitation treatment and transitional community care and support services would be provided. As at end-June 2009, a total of about 6 000 elderly hospital discharges had been served and the feedback about the Programme was positive. Towards the completion of the Programme in May 2011, the Administration would evaluate the effectiveness of the Programme and then consider the way forward.

7. Expressing support for the Programme to reduce the unplanned hospital re-admission rate of high-risk elderly hospital discharges and relieve the stress of carers, Dr PAN Pey-chyou was concerned about the effectiveness of the Programme. Understanding that the comprehensive review of the Programme was yet to be conducted, Dr PAN asked if any initial findings were available, such as whether the re-admission rate of elderly hospital discharges had been reduced since the launch of the Programme, as compared with that in other districts where the Programme had not yet been launched.

8. Chief Manager, Hospital Authority (CM/HA) advised that an evaluation framework was in place to assess the effectiveness of the Programme. Parameters to be evaluated included changes in elders' functional status, place of residence of elderly patients at 90 days and 180 days after they were discharged from the Programme, the re-admission rate of discharges, stress levels of their carers before and after joining the Programme. Initial findings indicated that the stress levels of the carers were reduced, the functional capabilities of the elders were improved and the target of providing training to 1 500 carers each year was achieved. As regards the re-admission rate of the elderly hospital discharges, CM/HA said that although there was no significant decrease in the re-admission rate of the matching samples as compared with their re-admission rates in the previous years, there was no obvious increase in their hospital admission rates which was expected from high risk elders with poor community support. The Administration would evaluate the effectiveness of the

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Programme based on the data collected throughout the programme period, and would revert to the Panel in due course.

9. Noting that each pilot under the Programme comprised a DPT set up under the concerned HA hospital and an HST operated by an NGO, Dr PAN Pei-chyou was delighted to learn that the Programme adopted a multi-disciplinary approach under which the health sector collaborated with the welfare sector in provision of seamless care for elderly hospital discharges in meeting both their rehabilitation and social needs. In this connection, Dr PAN asked if any problems regarding the coordination between the two sectors were observed.

10. As regards the collaboration between the two sectors, the Panel was told that since the DPT and HST were located inside the same hospital, they worked closely to formulate discharge care plans for individual elderly patients as well as transitional rehabilitation services and/or community care and support services upon hospital discharge. Also, both DPT and HST could access the concerned patients' records and they would hold regular case conferences to monitor the progress of the elders concerned. A joint decision was made as to whether the elders would no longer need the transitional services and the relevant cases could be closed. No communication problem had been observed so far.

11. While appreciating the close collaboration between SWD and HA in providing support services to the elderly hospital discharges, Mr CHEUNG Kwok-che expressed concern about the caseload capacity of DPTs and HSTs and whether additional resources would be allocated if necessary. This apart, Mr CHEUNG asked about the re-admission rates of the elderly hospital discharges within and after six months of hospital discharge, and whether complaints about the Programme had been received since its launching.

12. DS(W)2 said that a one-off funding of \$96 million was earmarked in the 2007-2008 Budget for launching the Programme for three years. With each pilot serving about 3 000 elders and 1 000 carers per year, it was expected that a total of about 20 000 elders and 7 000 carers would be served throughout the programme period. As at end-June 2009, about 6 000 elderly hospital discharges had been served under the first two pilots. Since the Programme was provided on a transitional basis, under which the service duration was expected to be six to eight weeks on average, some of the cases had been closed. Thus the number of active cases was less than 6 000. As regards the need for additional resources, DS(W)2 said that the Administration would collect information and evaluate the effectiveness of the Programme and then consider the way forward.

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13. CM/HA added that the service target of 3 000 elders under each pilot per year was set based on the average number of elderly patients assessed to have high risks of unplanned hospital re-admission in the district. Since the participation of the Programme was on a voluntary basis, it was expected that each HST would serve about 160 cases at the same time. CM/HA further said that the first few weeks after hospital discharge would be the critical period for re-admission of elderly hospital discharges. Nevertheless, the re-admission rate of discharges 180 days after discharge from the Programme might not be of direct relevance to assessing the effectiveness of the Programme, taking into consideration that re-admission of elderly hospital discharges might be caused by a lot of factors.

14. CM/HA and DS(W)2 said that no complaint had been received since the launch of the Programme. DS(W)2 added that to her knowledge, the operating NGOs had received verbal and letters of appreciation.

15. Responding to Mr CHEUNG Kwok-che's enquiry about the provision of training to the carers, CM/HA said that training programmes had been organised for more than 3 600 carers, with a view to enhancing their capability in the post-discharge care for elders at home. Carers working in RCHEs were not covered under these training programmes.

16. Ms LI Fung-ying pointed out that some elderly patients refused to be discharged from hospitals simply because they were waiting for admission to RCHEs and lacked family support to stay at home. Ms LI asked about the number of such elders who had changed their discharge plans and chosen to stay at home after they were discharged from hospitals as a result of joining the Programme. Ms LI further asked about the specific support services provided by HSTs to the elderly hospital discharges.

17. CM/HA responded that based on a sample of 1 800 participating elderly hospital discharges who stayed at home before admission to hospitals, about 1 500 were contacted to see if they could continue to stay at home 180 days after the Programme. 90% of them still stayed at home while 7% had been admitted to RCHEs. As compared to about 300 elderly hospital discharges who were admitted from RCHEs, of which some 250 discharges were contacted, it was noticed that over 20% of them had chosen to stay at home after they were discharged from hospitals. CM/HA advised that depending on the specific needs of individual elderly patients as recommended in their discharge care plans, an interim arrangement could be made for some elderly hospital discharges to stay at RCHEs for a short period and HA's geriatric assessment team would assess their progress of recovery before they returned home.

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18. CM/HA further said that with reference to the experience of HST of Tuen Mun, apart from the provision of meals, there was keen demand on escort and "elder sitter" services from elderly hospital dischargees.

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19. To facilitate future planning for the Programme, Ms LI Fung-ying requested the Administration to provide a comparison on the number of participating elderly hospital dischargees who could stay at home before and after the launch of the Programme and a breakdown of the patronage of different types of services provided by HSTs together with the reasons for requiring such services.

20. Mr Albert CHAN pointed out that many elderly hospital dischargees and their family members faced great pressure due to the incapability of the family members to take care of them. While the Programme might release the stress of less vulnerable families, Mr CHAN was of the view the provision of additional subsidised residential care places should be expedited to meet the needs of elderly hospital dischargees who required residential care services. To this end, Mr CHAN urged the Administration to identify vacant premises, such as vacant schools, for retrofitting and conversion into RCHEs.

21. DS(W)2 responded that while the provision of additional subsidised residential care places would be discussed at the next Panel meeting, the Programme aimed to provide transitional support services to the elderly hospital dischargees and their carers, which was in line with the Government's policy on elderly care services, i.e. supporting "ageing in place as core, institutional care as back-up".

22. Pointing out that many carers of the elderly dischargees were also elders, Mr Albert CHAN urged the Administration to look into the service gap for the elderly hospital dischargees while they were waiting for admission to RCHEs.

23. DS(W)2 responded that the Programme aimed to provide an integrated support services for the elderly hospital dischargees and their carers. In addition to the training provided to the carers to enhance their capability in the post-discharge care for elders, medical and para-medical professionals would arrange transitional rehabilitation services and a range of community care and support services would be provided to discharged elderly patients. These services covered rehabilitation treatments, personal care, home-based rehabilitation exercises, home modification, home-making, provision of meals, counseling, transportation and escort, out-of-hour emergency support, respite and "elder sitter" services, etc.

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24. The Chairman requested the Administration to provide the Panel with a detailed review report on the Programme upon its completion. Noting that the Programme would be completed in 2011, the Chairman requested the Administration to provide an interim evaluation report to the Panel as far as practicable.

**V. Annual adjustment of payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme**

[LC Paper Nos. CB(2)179/09-10(05) and (06)]

25. DS(W)2 advised that the 12-month moving average of the Social Security Assistance Index of Prices (SSAIP) for the period from October 2008 to September 2009 registered a cumulative decrease of 0.7% when compared with the period from November 2007 to October 2008. If the index would indeed drop when the data for October 2009 was ready by the end of November 2009, the Administration would freeze the current standard payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme and the rates of allowances under the Social Security Allowance (SSA) Scheme for a period of 12 months with effect from February 2010. DS(W)2 added that the Administration would monitor closely the expenditure position under the two Schemes and seek the approval of the Finance Committee (FC) for supplementary provision where necessary.

26. Mr Albert CHAN queried the criteria for calculating the CSSA payment levels, in particular the standard payment rates. In his view, the CSSA payment rates were below the poverty line and were far from adequate in meeting the basic daily needs of the recipients. He recalled that according to a study on the CSSA Scheme conducted by Professor Stewart MacPherson of the then City Polytechnic of Hong Kong in 1993-1994, it was suggested that the standard payment rates should be set at around \$3,000 which was pitched at a level above the poverty line. He strongly urged the Administration to conduct a fresh review of the adequacy of the standard payment rates, taking into account the 11.1% downward adjustment of CSSA payments in 2003. Mr CHAN expressed strong dissatisfaction at the remarks made by CE at the Question and Answer Session on 15 October 2009 that households with income below the average CSSA payments were those living in poverty. He considered that the Administration was inhumane in taking care of the poor and the needy.



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27. DS(W)2 said that the CSSA Scheme provided a safety net of last resort for those in need so that they could meet their basic needs. The standard payment rates were reviewed annually taking into account the movement of SSAIP which was compiled by the Census and Statistics Department. On top of the regular monitoring on the changes of SSAIP, the weighting system of SSAIP was updated every five years on the basis of the findings of the Household Expenditure Survey on CSSA Households to ensure that up-to-date expenditure patterns of CSSA households were accurately reflected in the compilation of SSAIP.

28. Mr CHEUNG Kwok-che disagreed with the methodology for adjusting the CSSA payment rates. He asked whether the annual adjustment cycle could be shortened to half a year in order to more accurately reflect the price changes of consumer goods and expenditure pattern of CSSA recipients.

29. DS(W)2 said that having regard to the impact of seasonal factors on the prices of consumer goods, the 12-month moving average SSAIP would form a better and objective basis for adjusting the CSSA standard payment rates taking into account the impact of inflation/deflation. The Administration would consider seeking approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle if movements in SSAIP and other economic indicators pointed to persistently high inflation, and in the light of the overall financial position of the Government. She drew members' attention that FC approved in June 2008 the increase of CSSA standard payment rates by 4.4% ahead of the annual adjustment cycle.

30. Apart from adjusting the CSSA standard payment rates according to the established mechanism, Mr CHEUNG Kwok-che said that the Administration should review the maximum levels of rent allowance (MRA) under the CSSA Scheme, especially the rent allowance for one/two-member households, which was incompatible with the prevailing market rentals. Mr CHEUNG also requested the Administration to review the one-year-continuous-residence requirement under the CSSA Scheme. He pointed out that some Hong Kong permanent residents, who had worked outside Hong Kong and became unemployed and returned to Hong Kong, were not eligible for CSSA because they could not satisfy the one-year-continuous-residence requirement. While the Director of Social Welfare (DSW) could exercise discretion to waive the residence requirement, discretion would be exercised only when their resources could support no more than two months' living. In view of the stringent threshold, Mr CHEUNG urged the Administration to relax the period to four to six months. Lastly, Mr CHEUNG suggested that a new category of unemployed subsidy, which was independent of the CSSA Scheme, should be introduced to assist the unemployed.

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31. DS(W)2 said that under the Support for Self-reliance (SFS) Scheme, assistance was provided for the unemployed able-bodied members of CSSA households to join the workforce through employment assistance services, community work programme and the arrangement of Disregarded Earnings.

32. Regarding the rent allowance, Deputy Director of Social Welfare (Administration) (DDSW(A)) said that MRA was adjusted in accordance with the movement of the Consumer Price Index (A) (CPI(A)) rent index for private housing. He pointed out that the MRA levels had been frozen since 2003 despite there was still room for downward adjustment of MRA as shown from the latest position of the 2009 index movement. DDSW(A) added that the one-year-continuous-residence requirement aimed to discourage people who have lived outside Hong Kong for a long time from relying on CSSA as soon as they returned to Hong Kong. Where a CSSA applicant was in genuine hardship, DSW might consider exercising discretion to waive the one-year-continuous-residence requirement and grant assistance to the applicant. Over 3 000 applications had been exempted from the requirement between June 2007 and April 2009. DDSW(A) further said that the Administration deemed it appropriate to consider exercising the discretion when the applicant's resources available to him/his family were not sufficient to meet the recognised needs under the CSSA Scheme for two months.

33. Echoing Mr CHEUNG Kwok-che's views, Mr Frederick FUNG took the following views –

- (a) instead of asking the unemployed to apply for CSSA, short-term unemployment assistance should be provided to them. Moreover, the Administration should review the requirement of making CSSA application on a household basis;
- (b) given that the rentals for public housing units varied according to the location of the housing estates, the Administration should draw reference from the Housing Department by adopting different levels of MRA for CSSA recipients in accordance with the rentals of private housing in that district; and
- (c) the Administration should review the policy on the one-year-continuous-residence requirement.

34. In response, DS(W)2 made the following points –

- (a) the rationale for requiring application for CSSA on a household basis was to encourage family members to support each other. In addition, the SFS Scheme under the CSSA Scheme sought to help the unemployed enter the labour market;

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- (b) MRA would be adjusted in accordance with the movement of index for private housing rent of CPI(A) under the existing mechanism. As at end-February 2009, 87% of CSSA households receiving rent allowance could meet the actual rental payments. While it was an individual's choice where to reside, individuals or families with genuine or pressing housing needs and having social and/or medical ground(s) might apply for allocation of public housing units under compassionate rehousing;
- (c) the residence requirement under the CSSA Scheme was introduced on 1 January 2004 on the basis of the recommendations in the Report of the Task Force on Population Policy. The rationale was to encourage potential immigrants to plan ahead before settling in Hong Kong. The Administration should also ensure the prudent use of public money to help those in need.

35. The Chairman considered it unreasonable to adopt a uniformed MRA for CSSA households, bearing in mind that those residing in the remote districts had to incur expensive travelling expense from home to work. The Chairman expressed concern about the adjustment methodology for CSSA. As the Administration would likely to propose to freeze the CSSA payment rates for the coming year, he was concerned that the CSSA recipients had to catch up with the inflation consequent upon the recent economic recovery. He urged the Administration to review the adjustment mechanism and cycle so as to maintain the purchasing power of the CSSA payments.

36. DDSW(A) said that in the past, the inflation forecast methodology had been adopted for adjusting social security payments. However, the Director of Audit had pointed out in his Report No.32 published in March 1999 that the combination of the over-estimation based on the inflation forecast methodology and the deviations from the stated annual inflationary adjustment mechanism in the past years had a significant impact on Government expenditure. Besides, it would be difficult for CSSA recipients to face any retrospective downward adjustments. Starting from 2005, the Administration had adopted the existing annual mechanism for adjusting the CSSA payment rates based on actual movement of the SSAIP. The Administration would monitor closely the movements in SSAIP and make reference to other economic indicators, and consider seeking approval for any inflationary adjustments to the standard payment rates ahead of the new annual adjustment cycle where necessary.

37. Mr LEUNG Kwok-hung said that in the light of the improving fiscal position of the Government, the Administration should consider restoring the CSSA payment rates to the 2003-level as the payment rates were adjusted downward by 11.1% in 2003.

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38. DS(W)2 reiterated that the CSSA Scheme was to provide a safety net of last resort for those in need so that they could meet their basic needs. The standard payment rates were reviewed annually taking into account of the movements of SSAIP. The current mechanism for annual adjustment of the CSSA standard payment rates had been working effectively.

39. In closing, the Chairman said that the payment rates of CSSA and SSA would likely to be frozen for one year, the Administration should closely keep track of the market situation and seek approval for any inflationary adjustments to the payment rates ahead of the next annual adjustment cycle, where necessary, to ease the impact of rising prices on the CSSA households.

**VI. Definition of "poverty"**

[LC Paper Nos. CB(2)179/09-10(07) to (08) and CB(2)240/09-10(01)]

40. Secretary for Labour and Welfare (SLW) briefed members on some background information on the definition of poverty and the deliberation of the former Commission on Poverty (CoP) on the subject as detailed in the Administration's paper. SLW stressed that the Administration attached great importance to poverty alleviation work. The Task Force on Poverty had duly followed up on the 53 recommendations of the former CoP, many of which had already been implemented and their progress was reported at the Panel meeting on 13 July 2009.

41. SLW said that the former CoP had deliberated fully the issue of how to measure poverty in Hong Kong. The former CoP was of the view that poverty could not be understood simply by the concept of absolute poverty or the lack of ability to afford minimum subsistence, nor could one rely upon a single poverty line to measure income poverty. In this respect, the Government agreed with the former CoP and had all along been adopting a set of 24 multi-dimensional indicators for monitoring the overall poverty situation in Hong Kong. Among these 24 poverty indicators, 18 were life-cycle based while the remaining six were community based. SLW further said that for those indicators relating to income, the former CoP considered it appropriate to use the average payment of CSSA as a benchmark for delineating whether an individual was living in poverty. SLW added that if such a benchmark was employed as the sole criterion to define the size of the poor and taking into account the poor elderly persons, the size of the poor population would have been 714 900 in 2008. It was noteworthy that in 2009-2010, the expenditure on the social security system was expected to reach \$27.1 billion, representing 11.9% of the Government's total recurrent expenditure.

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42. SLW said that the Administration adopted a pragmatic and multi-pronged approach to assist the socially disadvantaged, among others, through creating job opportunities, providing training and retraining opportunities to raise the competitiveness and skills of the workforce, introducing a minimum wage system and providing various services to the needy. In formulating policies to assist the socially disadvantaged, the Government would take into account their financial and service needs.

43. Mr LEUNG Kwok-hung was of the view that the remark made by CE about the poverty situation at the CE's Question and Answer Session was completely arbitrary. Pointing out that Hong Kong's Gini index ranked the highest in the very high human development economies as revealed in the Human Development Report 2009 published by the United Nations Human Development Programme, Mr LEUNG took the view that the Administration should aim to lower Hong Kong's Gini index and the number of people living in poverty. Given the surplus fiscal reserve position in Hong Kong, the Government should devise concrete plan to narrow the income disparity and improve the median household income level of the employed.

44. Echoing Mr LEUNG Kwok-hung's views, Mr Albert CHAN expressed dissatisfaction at CE's remark about the definition of poverty. In his view, the current CSSA payment levels could not sustain the poor to meet the basic needs. He strongly urged the Administration to review the basic items of goods and services to be covered under the CSSA Scheme in determining the payment rates. This apart, Mr CHAN wondered how the 24 multi-dimensional indicators reflected the poverty situation of Hong Kong.

45. SLW reiterated that the Administration attached great importance to the work of poverty alleviation. The former CoP had fully deliberated and recommended the adoption of a set of 24 multi-dimensional indicators for monitoring the overall poverty situation in Hong Kong and providing support for the formulation and evaluation of policies to assist the needy.

46. Citing the poverty indicator concerning persons aged 20-24 with tertiary education as an example, Dr LEUNG Ka-lau enquired how the number of persons aged 20-24 with tertiary education reflected the poverty situation and how the Administration would make use of the figure in the formulation of policies to tackle poverty. He further asked about the weighting of the respective poverty indicators for monitoring the overall poverty situation in Hong Kong.

47. SLW responded that as explained earlier, in formulating poverty alleviation policies, the Government would take into account the actual situation and needs of the disadvantaged groups, including their income, access to essential services and opportunities. The number of persons with tertiary

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education reflected the opportunities of social mobility and reducing inter-generational poverty. He stressed that the use of the 24 multi-dimensional indicators would allow the Administration to monitor the poverty situation in Hong Kong from different perspectives and identify the needs of different disadvantaged groups and people across different districts, thereby providing the basis for the formulation and evaluation of policies to assist the needy.

48. Mr Ronny TONG held the view that the Government should make reference to the definition of poverty adopted universally. For instance, the European Commission defined that individuals living in households where equivalised income was below the threshold of a specified percentage of the national equivalised median income were living in poverty. He saw no reason why the Administration did not adopt a definition of poverty to measure the poverty situation. Although a rising Gini Co-efficient did not necessarily mean worsening of the poverty situation, Mr TONG noted with concern that Hong Kong's Gini Co-efficient was ranked almost the highest in the very high human development economies. This apart, about 1.23 million of Hong Kong people living in poverty and the increasing number of working poor over the past ten years revealed that the Government's efforts in the work of poverty alleviation was inadequate. Mr TONG urged the Administration to explore further measures to improve the situation.

49. SLW said that the Administration was very concerned about the poverty problem and had all along adopted a pragmatic approach to assist the socially disadvantaged. It considered that the key to tackling poverty lay in promoting economic growth, thereby creating more job opportunities. In tandem, the Administration provided training and retraining opportunities to raise the competitiveness and skills level of the workforce.

50. Mr Ronny TONG said that despite there was an upsurge in the economic growth, the number of people living in poverty remained high. In his view, the crux of the matter was how to reduce the poor population.

51. Referring to the Hong Kong Council of Social Service's submission, Mr CHEUNG Kwok-che noted with concern that in the past 20 years, the household median income of the lower income group decreased by 3.3% whereas the higher income group had increased by 34.7%. Mr CHEUNG enquired if the Administration would set a target for reducing the number of people living in poverty. While appreciating the Government's efforts in enhancing the employability of the disadvantaged groups, Mr CHEUNG was of the view that it would be more important to create job opportunities such that the grassroots could be directly benefited.

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52. SLW stressed that the Administration adopted a pragmatic and multi-pronged approach to tackle poverty and to assist the disadvantaged groups. SLW advised that the Administration had introduced a series of relief measures since 2008, amounting to \$87.6 billion. In addition, the Government's efforts in "stabilising the financial system, supporting enterprises and preserving employment" helped secure some 250 000 jobs in 2008. This apart, since the launch of the "Operation Building Bright" project, over 1 000 job opportunities were created, not to mention the major infrastructural projects and public works projects to be rolled out. It was encouraging that the unemployment rate of the construction sector fell from 12.7% to 9.4%, and that of the decoration and maintenance sub-sector fell from 21.6% to 10.8%. SLW said that while the key to tackling poverty was to create job opportunities, the Administration would continue to assist the socially disadvantaged through the CSSA system, which served as a safety net to assist those who could not support themselves financially.

*[To allow more time for discussion, members agreed to extend the meeting by 15 minutes.]*

53. Mr Frederick FUNG was very concerned about the income disparity of Hong Kong in the light of the high Gini Co-efficient. He cautioned that the Gini Co-efficient of Hong Kong was higher than 0.4, which implied a high risk of poverty. Mr FUNG pointed out that the widening income disparity had aroused public discontent against the Government policies. Although the Government had identified a set of 24 multi-dimensional indicators, an analysis on the movements of these indicators without taking corresponding actions was meaningless. Referring to a comparison of the poverty indicators in the past three years provided by the Administration earlier, Mr FUNG said that the poverty situation of Shamshuipo and Kwai Tsing had been worsening. He enquired about the measures to be taken to alleviate the poverty situation in these districts. Mr FUNG also cast doubt about the inconsistency in CE's remark and SLW's explanation on the definition of poverty.

54. Referring to paragraph 15 of the Administration's paper, SLW said that CE's remark on the definition of poverty was in line with the deliberation by the former CoP on how to understand the poverty situation in Hong Kong. In gist, for those indicators relating to income, reference was made to the average payment of CSSA. The former CoP considered it appropriate to use this as an indicator of whether an individual was living in poverty. SLW reiterated that the Government attached utmost importance to the work of poverty alleviation. It was the Government's policy to adopt a pragmatic and multi-pronged approach to tackle poverty.

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55. Mr LEUNG Yiu-chung took the view that the Government should set a target for tackling poverty, instead of adopting a set of 24 multi-dimensional indicators which, in his view, merely reflected the poverty situation from different perspectives. Expressing concern that 714 900 people were living in poverty, Mr LEUNG strongly urged the Administration to draw up a specific target on reducing the number of people living in poverty.

56. SLW stressed that the 24 multi-dimensional indicators provided very useful reference for the Government to identify the needs of different disadvantaged groups and people across different districts and to provide support for the formulation and evaluation of policies to assist the needy. SLW said that the respective District Social Welfare Officers of SWD and District Officers of the Home Affairs Department would in the light of these indicators work together in formulating measures to improve the poverty situation in the districts. SLW further said that income poverty was only one of the tools to measure the poverty situation. Access to essential services and opportunities by the socially disadvantaged should also be taken into account in considering their actual situation and needs. To this end, the Government adopted a pragmatic and multi-pronged approach to assist the socially disadvantaged. For example, the Administration had rolled out the Child Development Fund projects which aimed to reduce inter-generational poverty.

57. Dr PAN Pey-chyou raised doubt about the effectiveness of adopting CSSA payment as a benchmark to determine who was living in poverty. He also expressed particular concern about the livelihood of the unsupported poor elderly who were not eligible for CSSA due to the possession of properties for self-occupation.

58. SLW advised that of the 714 900 people considered to be living in poverty, some 200 000 were poor elders who were on CSSA and/or lived in private temporary housing and private shared units. For elders who possessed properties for self-occupation, the value of the property would be disregarded for the CSSA asset test.

59. Mr IP Wai-ping expressed dissatisfaction at CE's reply to his question raised at the CE's Question and Answer Session on 15 October 2009 regarding ways to tackle poverty. In his view, having a job did not necessarily address the poverty problem if the wage level remained low. He could not accept the Administration's view that income disparity and poverty were two distinct concepts. Raising concern about the widening income disparity between the rich and the poor in the past 20 years, Mr IP urged the Administration to take forward tax policies and social benefits with a view to redistributing the wealth and narrowing the gap between the rich and the poor.



Action

60. SLW assured members that the Government attached great importance to poverty alleviation work and endeavoured to assist the socially disadvantaged.

61. The Chairman said that the public expenditure on welfare services was relatively small as compared to other affluent countries. He took the view that a slightly upward adjustment of the tax rates could increase the Government revenue and finance additional spending on welfare services.

62. SLW said that as pointed out by CE in his Policy Address 2009-2010, if the Government was to maintain one-off welfare-based relief measures on a long-term basis, it would have to overhaul the tax system and increase tax rates. SLW further said that the key to tackling poverty problem was to create a suitable environment, such as promoting economic growth, with a view to providing more job opportunities. This apart, the Administration was putting enormous efforts into enhancing the employability and social mobility of the socially disadvantaged. Notably, the Government spending on welfare, health care, education and housing amounted to 58% of total Government recurrent expenditure.

63. The Chairman said that issues relating to the definition of poverty and the use of poverty indicators should be followed up by the Subcommittee on Poverty Alleviation. Members agreed.

**VII. Any other business**

64. There being no other business, the meeting ended at 1:00 pm.

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