

立法會
Legislative Council

LC Paper No. CB(2)617/09-10

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Panel on Welfare Services

Subcommittee on Poverty Alleviation

**Minutes of the 7th meeting
held on Monday, 30 November 2009, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Ronny TONG Ka-wah, SC
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
- Member absent** : Hon LEUNG Kwok-hung
- Public Officers attending** : Item II
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 : Mr YICK Wing-kin
Assistant Legal Adviser 8

Miss Florence WONG
Senior Council Secretary (2) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Election of Chairman and Deputy Chairman (if required)

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

2. Members agreed that there was no need to re-elect a Chairman for the 2009-2010 session. Members also agreed that election of a deputy chairman was not required.

II. Definition of "poverty" and the use of indicators of poverty

[LC Paper Nos. CB(2)179/09-10(07) to (08), CB(2)2480/08-09(01)]

3. Members expressed the following concerns –

- (a) the high Gini Co-efficient of Hong Kong as compared with other affluent countries revealed that the Administration's efforts in narrowing the income disparity between the rich and the poor were far from adequate. This apart, the Administration should compile the post-tax post-social transfer Gini Co-efficient regularly to keep track of the adjusted Gini Co-efficient and effect of the tax policies, and social benefits in income redistribution;
- (b) the 24 multi-dimensional indicators were updated annually by using the data in the preceding year, it failed to reflect the latest poverty situation in Hong Kong. To facilitate better understanding of the problem, the Administration should consider updating the indicators half-yearly;
- (c) the performance of the 24 multi-dimensional indicators should be updated by districts in order to monitor the performance of the indicators in different districts, thereby formulating policies and measures to meet the specific needs of the less well-off districts; and

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- (d) it was not appropriate to use the average payment of the Comprehensive Social Security Assistance (CSSA) as a benchmark for delineating whether an individual was living in poverty as the current CSSA payment levels were incompatible with the basic needs of the recipients.

4. The Administration made the following responses –

- (a) in 2006, the unadjusted Gini Co-efficient in Hong Kong was 0.533. Taking into account the impact of taxation and social benefits, and removing the effect of a declining household size, the per capita post-tax and post-social transfer Gini Co-efficient in 2006 would have been 0.427. As regards the interval for updating the Gini Co-efficient, the compilation of post-tax and post-social transfer Gini Co-efficient required enormous data which could only be collected in the context of the Population Census or By-census every five years. The Administration considered that the current arrangement was appropriate. It was also worth noting that in some other economies, Gini Co-efficient was not compiled and updated annually;
- (b) it took time to compile the 24 multi-dimensional indicators. The Administration had highlighted in its paper [LC Paper No. CB(2)2480/80-09(01)] that the situation in 2009 was expected to be less optimistic given the still challenging state of the local economy and external environment as well as weak labour market conditions. The Administration would closely monitor the poverty situation in Hong Kong;
- (c) of the 24 multi-dimensional poverty indicators, six were community-based indicators while 18 were life-cycle-based. The 24 multi-dimensional poverty indicators were compiled mainly based on the data collected in the General Household Survey (GHS) conducted by the Census and Statistics Department (C&SD). The samples for GHS were selected in accordance with a scientifically designed sampling method, it was not advisable to subjectively over-sample specific target groups or specified districts as this would affect the representativeness of the survey results. Given the relatively small sample size, there might not be sufficient data for compiling certain life-cycle-based poverty indicators by district;
- (d) various district-based measures to assist the disadvantaged had been carried out over the years. For instance, the Home Affairs Department had launched the Enhancing Self-Reliance Through District Partnership Programme which supported some 90 social

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enterprise projects. Many of these projects were carried out in less well-off districts such as Kwun Tong, Sham Shui Po and Tin Shui Wai. This apart, resources had been allocated to the District Officers, District Council and Social Welfare Department to carry out district-based poverty alleviation initiatives to cater for the needs of the under-privileged at the district level;

- (e) the former Commission on Poverty (CoP) had deliberated fully the issue of how to measure poverty in Hong Kong. The former CoP was of the view that one could not rely upon a single poverty line to measure income poverty, the actual situation and the needs of the disadvantaged groups, including their access to essential services and opportunities should also be taken into consideration. Using the 24 multi-dimensional indicators, the Government could monitor the poverty situation in Hong Kong from different perspectives and identify the needs of different disadvantaged groups and people across different districts, which provided support for the formulation and evaluation of policies to assist the needy;
- (f) 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 a benchmark for delineating whether an individual was living in poverty because it was widely used and recognised as the threshold where the basic living requirements in the community could be met; and
- (g) the Government had made it clear on different occasions that eligible individuals who encountered financial hardship could apply for CSSA, which provided a safety net to meet their basic needs. Apart from CSSA, other forms of assistance such as education, housing and health care services were available for needy people.

5. Members agreed to discuss the Administration's specific measures to alleviate poverty in less well-off districts and the effectiveness of these measures. To facilitate members' future discussion, the Administration was requested to –

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- (a) discuss with C&SD the viability of providing updated poverty indicators for the first half or first three quarters of 2009 and the performance of life-cycle-based poverty indicators by district, and revert to the Subcommittee in January 2010; and
- (b) provide information, as far as practicable, on the movement of income levels of the lowest income group and the highest income group in the past 10 years, and the respective living costs during the period.

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III. Continuation of work of the Subcommittee

[LC Paper No. CB(2)346/09-10(01)]

6. The Chairman referred members to LC Paper No. CB(2)346/09-10(01) and sought members' views on the need for the Subcommittee to continue its work in the 2009-2010 session. Members agreed that the approval of the Panel on Welfare Services should be sought for the Subcommittee to continue to work in the 2009-2010 session in accordance with the House Rule 26(c). The Chairman added that upon approval given by the Panel, a report would be made to the House Committee (HC) on the justifications for continuing the work of the Subcommittee beyond the 12-month period.

IV. Any other business

7. The Chairman said that when the Subcommittee presented its report to HC on 23 October 2009 on the duty visit to study the experience of poverty alleviation and the development of social enterprises in Taiwan and the Republic of Korea, Ms Emily LAU enquired whether the Subcommittee would seek the agreement of HC for the allocation of a debate slot to move a motion on the report. The Chairman further said that instead of debating on the visit report, members might wish to consider seeking the HC's agreement for allocating a debate slot to move a motion on the Subcommittee's report when it concluded its work. Members agreed.

8. There being no other business, the meeting ended at 12:20 pm.

Council Business Division 2
Legislative Council Secretariat
23 December 2009

**Proceedings of the 7th meeting of the
Subcommittee on Poverty Alleviation
on Monday, 30 November 2009, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda item I – Election of Chairman and Deputy Chairman (if required)</i>			
000000 - 000451	Mr Frederick FUNG Mr TAM Yiu-chung Mr WONG Kwok-kin	Election of Chairman	
<i>Agenda item II – Definition of "poverty" and the use of indicators of poverty</i>			
000452 - 000819	Chairman Administration	Briefing by the Administration on definition of poverty [LC Paper No. CB(2)179/09-10(07)]	
000820 - 000950	Mr TAM Yiu-chung Administration	Whether the Administration would compile an adjusted Gini Co-efficient i.e. excluding social benefits, to facilitate better understanding of income disparity in Hong Kong The Administration's response that in 2006, the unadjusted Gini Co-efficient in Hong Kong was 0.533. Taking into account the impact of taxation and social benefits, and removing the effect of a declining household size, the per capita post-tax and post-social transfer Gini Co-efficient in 2006 would have been 0.427	
000951 - 001824	Chairman Administration	Concern that the adjusted Gini Co-efficient of Hong Kong was still higher than 0.4, indicating that the income disparity in Hong Kong had reached an alarming level, and revealing that the Administration's efforts were far from adequate in narrowing the income gap between the rich and the poor as compared with that of the United Kingdom where the Gini Co-efficient had been adjusted downward from over 0.5 to 0.37 after income redistribution through taxation and social benefits The Administration's response that comparison of the Gini Co-efficient between different economies might be subject to considerable limitations due to different compilation methods. For Hong Kong, the income redistribution impact of tax policies and social benefits, including housing, medical and education benefits, had been reflected in the post-tax and post-social transfer Gini Co-efficient. However, the redistribution impact manifested by the post-tax and post-social transfer Gini Co-efficient had not reflected the impact of the Comprehensive Social Security Assistance (CSSA) payments.	
001825 - 002414	Mr LEE Cheuk-yan Administration Chairman	Concern that the 24 multi-dimensional indicators were updated by using the data in the preceding year, this failed to reflect the up-to-date poverty situation in Hong Kong. Citing the poverty indicators of 2008 as an example, while the indicators were published in 2009, the figures had not reflected the impact of financial tsunami on the economy	

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		<p>The Administration's response that it took time to collate and analyse relevant data, and update the 24 multi-dimensional indicators. It had stated in its paper [LC Paper No. CB(2)2480/80-09(01) that the situation in 2009 was expected to be less optimistic given the challenging state of the local economy and external environment as well as weak labour market conditions. The Administration would closely monitor the poverty situation in Hong Kong</p> <p>The Administration was requested to consider the viability of updating the indicators half-yearly</p>	<p>Admin</p>
002415 - 003515	Mr WONG Kwok-kin Administration	<p>Whether a single indicator could be provided for the purpose of drawing a poverty line</p> <p>The Administration's response that the former Commission on Poverty (CoP) had deliberated fully the issue of how to measure poverty in Hong Kong. The former CoP was of the view that one could not rely upon a single poverty line to measure income poverty, the actual situation and the needs of the disadvantaged groups, including their access to essential services and opportunities should also be taken into consideration. Using the 24 multi-dimensional indicators, the Government could monitor the poverty situation in Hong Kong from different perspectives and identify the needs of different disadvantaged groups and people across different districts, which provided support for the formulation and evaluation of policies to assist the needy</p> <p>Views of Mr WONG Kwok-kin that those who were receiving essential services provided by the Government should be considered as living in poverty since they could not support themselves financially</p>	
002900 - 003515	Chairman Administration	<p>Enquiry about the formulation of specific policies in the light of the performance of the 24 multi-dimensional indicators</p> <p>The Administration's advice that the indicators provided useful information for bureaux and departments in formulating and evaluating policies to assist the needy. For instance, the Child Development Fund was launched to tackle the problem of intergenerational poverty</p>	
003516 - 004124	Mr CHEUNG Kwok-che Administration Chairman	<p>Rationale for using the average payment of CSSA as a poverty indicator</p> <p>The Administration's response that for those indicators relating to income, the former CoP considered it appropriate to use average payment of CSSA as the benchmark for delineating whether an individual was living in poverty because it was widely used and recognised as the threshold where the basic living requirements in the community could be met</p> <p>Mr CHEUNG Kwok-che remained unconvinced of using CSSA as the benchmark taking into consideration that the current CSSA payment levels were incompatible with the basic needs of the recipients. He urged the</p>	

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		Administration to review the adjustment mechanism of CSSA payment levels and the basic items of goods and services to be covered under the CSSA Scheme	
004125 - 004928	Mr LEE Cheuk-yan Administration Chairman	<p>Concerns about –</p> <ul style="list-style-type: none"> (a) the livelihood of elders aged between 60-65 who were not on CSSA and were not yet eligible for withdrawing the accrued benefits of mandatory provident fund; and (b) out of the 714 900 poor population, the number of poor elders on non-CSSA and the number of households whose income was below the average CSSA payment but did not apply for CSSA <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) as the size of poor population was projected based on the findings of General Household Survey (GHS), it did not have ready information on the number of poor households which had not applied for CSSA; (b) the Government had made it clear on different occasions that eligible individuals who encountered financial hardship could apply for CSSA, which provided a safety net to meet their basic needs; and (c) apart from CSSA, other forms of assistance such as education, housing and health care services were available for the needy 	
004929 - 005559	Mr CHEUNG Kwok-che Chairman Administration	<p>Whether the 24 multi-dimensional indicators could be updated on a quarterly basis and by districts, and whether concrete policies and measures had been put in place to address the specific needs of individual less well-off districts having regard to the performance of the indicators</p> <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) the samples for GHS were selected in accordance with a scientifically designed sampling method, it was not advisable to subjectively over-sample specific target groups or specified districts as this would affect the representativeness of the survey results. Given the relatively small sample size, there might not be sufficient data for compiling certain life-cycle-based poverty indicators by district; and (b) the former CoP recommended that a district-based approach be adopted to alleviate poverty in order to address the unique situation and characteristics of individual districts. Notably, the Home Affairs Department had launched the Enhancing Self-Reliance Through District Partnership Programme which supported some 90 social enterprise projects. Many of these projects were carried out in less well-off districts such as Kwun 	

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		Tong, Sham Shui Po and Tin Shui Wai. This apart, resources had been allocated to the District Officers (DOs), District Councils and Social Welfare Department to carry out district-based poverty alleviation initiatives to cater for the needs of the under-privileged at the district level	
005600 - 005924	Mr LEE Cheuk-yan Chairman Administration	Concern about the livelihood of the retired persons and request for reviewing the age limit of 65 for withdrawing accrued benefits of mandatory provident fund taking into account the age of retirement was 60 in some industries	
005925 - 010445	Chairman Administration	<p>Whether the income and asset limits for applying for public rental housing, instead of the average CSSA payment, be adopted as a poverty indicator</p> <p>The Administration's response that for those indicators relating to income, the former CoP considered it appropriate to use the average CSSA payment as a benchmark for delineating whether an individual was living in poverty because it was widely used and recognised as the threshold where the basic living requirements could be met</p>	
010446 - 012025	Mr IP Wai-ming Administration Chairman	<p>Suggestion of conducting a thematic study on the extent of the poverty problem and enlarging the sample collection in respect of characteristics of the poor population for more in-depth analysis; and enquiry about the movement of income levels of the lowest income group and the highest income group in the past 10 years, together with the respective living costs during the period</p> <p>The Administration's response that –</p> <p>(a) the suggestion would give rise to substantial resource implications. Notwithstanding this, the Population Census and By-census conducted every five years would provide useful data for detailed analysis of the poor population. Moreover, the Government had commissioned various studies relating to the socio-economic situation in Hong Kong, e.g. the study on earnings mobility being underway would due for completion; and</p> <p>(b) over the last decade, due to Hong Kong's transformation towards a knowledge-based economy, higher-skilled jobs had increased by 40% while lower-skilled jobs had slightly decreased</p> <p>The Administration was requested to provide information, as far as practicable, on the movement of income levels of the lowest income group and the highest income group in the past 10 years, and the respective living costs during the period</p>	Admin
012026 - 012353	Mr TAM Yiu-chung Administration	<p>Request for –</p> <p>(a) identifying less well-off districts and formulating policies and measures to meet the specific needs in these districts; and</p>	

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		<p>(b) adjusting the Gini Co-efficient regularly by taking into account the impact of taxation and social benefits to reflect more accurately the movement of the post-tax and post-social transfer Gini Co-efficient</p> <p>The Administration's response that –</p> <p>(a) DOs and District Social Welfare Officers would in the light of the performance of the poverty indicators adopt specific measures to assist the needy in the districts concerned. Resources had been allocated for implementing district-based initiatives to meet the specific needs of the districts; and</p> <p>(b) the compilation of post-tax and post-social transfer Gini Co-efficient required enormous statistical data, which could only be collected in the context of the Population Census or By-census every five years. The Administration considered that the current arrangement was appropriate. It was also worth noting that in some other economies, Gini Co-efficient was not compiled and updated annually</p>	
012354 - 013313	Chairman Mr LEE Cheuk-yan Administration	<p>Future items for discussion by the Subcommittee –</p> <p>(a) the poverty alleviation policies and measures taken/ to be taken by the Administration in the less well-off districts, and the effectiveness of these measures; and</p> <p>(b) follow-up discussion on the use of poverty indicators to understand the poverty problem</p> <p>In the meantime, the Administration was requested to discuss with C&SD the viability of providing updated poverty indicators for the first half or first three quarters of 2009 and the performance of life-cycle-based indicators by district, and revert to the Subcommittee in January 2010</p>	Admin
<i>Agenda item III – Continuation of work of the Subcommittee</i>			
013314 - 013344	Chairman	Need for continuation of work of the Subcommittee	
013345 - 013538	Chairman Mr TAM Yiu-chung Mr WONG Kwok-kin Mr LEUNG Yiu-chung	Whether the agreement of the House Committee should be sought for the allocation of a debate slot for the Subcommittee to move a motion on its report of the duty visit to study the experience of poverty alleviation and the development of social enterprises in Taiwan and the Republic of Korea	