

# 立法會 *Legislative Council*

LC Paper No. ESC31/10-11

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## **Paper for the House Committee Meeting on 18 March 2011**

### **Proposal to set up a subcommittee to study the subject of poverty alleviation**

#### **Purpose**

This paper invites the House Committee (HC) to consider the proposal of the Establishment Subcommittee (ESC) to set up a subcommittee under HC to study the subject of poverty alleviation.

#### **Background**

##### Subcommittee to Study the Subject of Combating Poverty

2. In the early 2000s, Hong Kong was badly hit by the financial tsunami, with its economy undergoing a painful process of restructuring. Public sentiment was that general affluence did not seem to have filtered down to the bottom tier of the community and poverty was ranked as one of the top concerns by the public, and constituted a major challenge to the Government. The challenge included rising income disparity, low-skilled unemployment, inter-generational poverty, and social security and support for the elderly. At the Council meeting on 3 November 2004, Hon Frederick FUNG Kin-kee moved a motion on "Alleviating the disparity between the rich and the poor" for debate.<sup>1</sup> The motion was passed with amendments made by Hon James TIEN. As a result, a subcommittee, i.e. the Subcommittee to Study the Subject of

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<sup>1</sup> The motion on "Alleviating the disparity between the rich and the poor", moved by Hon Frederick FUNG Kin-kee as amended by Hon James TIEN Pei-chun was carried at the Council meeting on 3 November 2004. The wording of the amended motion reads as follows –

"That, as the Hong Kong economy has entered an inflation period, yet the unemployment rate remains high, with wages not showing an evident rebound and the disparity between the rich and the poor becoming more serious, this Council urges the Government to set up a governmental interdepartmental committee on aiding the poor to comprehensively examine the disparity between the rich and the poor in Hong Kong, so as to enhance the self-help capability of the socially disadvantaged groups and enable a more effective allocation of social resources, thereby helping those who are most in need and safeguarding the basic needs of the grass-roots people; at the same time, the Government should co-ordinate the efforts of various departments in formulating corresponding policies as well as measures to help get rid of poverty, with a view to narrowing the gap between the rich and the poor, reducing social conflicts and promoting harmonious social development."

Combating Poverty (SCSSCP), was appointed by HC on 12 November 2004 to look into ways and means of combating poverty.

3. SCSSCP focused its work on a number of areas with a view to drawing up specific recommendations for consideration of the Administration. Within the 2004-2008 legislative term, it conducted a series of in-depth studies and met with the relevant bureaux and departments and the Commission on Poverty (CoP)<sup>2</sup> to discuss relevant issues relating to poverty. SCSSCP presented four reports to the HC, viz.:-

- (a) The report on "Working Poverty" which was presented to HC at its meeting on 10 February 2006;
- (b) The report on "Women in Poverty" presented on 16 June 2006;
- (c) The report on "Elderly in Poverty" presented on 8 June 2007; and
- (d) The report on "Development of Social Enterprise" presented on 27 June 2008.

4. Each of these reports contained a number of recommendations for the Administration to consider. With the exception of the report on Social Enterprise, a motion debate was carried out at Council meetings for each of the other three reports on 15 February 2006, 5 July 2006 and 27 June 2007 respectively.

#### Subcommittee on Poverty Alleviation

5. Shortly after the Fourth Legislative Council had commenced, the Panel on Welfare Services expressed concerns about the widening disparity between the rich and the poor in Hong Kong. On 8 December 2008, while discussing the various proposals relating to poverty alleviation, the Panel on Welfare Services noted that a significant number of recommendations had already been submitted to the Administration through the work of various subcommittees. It therefore decided to concentrate its efforts on outstanding poverty-related issues. On 12 January 2009, the Panel on Welfare Services appointed a subcommittee, i.e. the Subcommittee on Poverty Alleviation (SCPA) to study policies and measures relating to poverty alleviation. SCPA, upon the completion of its work, submitted a report to the Panel on Welfare Services on 14 June 2010. A motion debate was subsequently held on the report at the Council meeting on 7 July 2010.

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<sup>2</sup> The Government announced in the Policy Address in 2005 the establishment of a high-level commission to study, from a macro perspective, how to help the poor and alleviate poverty. The Commission on Poverty (CoP) was formally established in February 2005 for a term of two years, from 1 February 2005 to 31 January 2007. The term was further extended to 30 June 2007. CoP considered that there was a need to have a designated policy bureau within the Government to oversee and monitor the implementation of CoP's recommendations by different parties.

## **The Administration's efforts to follow up the recommendations of the Commission on Poverty**

6. With the conclusion of work of CoP, the Administration set up in October 2007 an inter-bureau/departmental Task Force on Poverty (TFP), chaired by the Secretary for Labour and Welfare, to follow up on the implementation of the 53 recommendations of CoP. In recent years, in the face of growing public concern about the hardship faced by low-income families against the backdrop of rising inflation, there are calls that CoP should be re-established to study in a systematic manner the needs of poor families, and set targets for eradicating poverty within specific time frames.<sup>3</sup> Nonetheless, the Administration does not find it necessary to re-establish CoP, as most of its 53 recommendations have been implemented, and that TFP can be counted on to continue CoP's work in exploring ways and means of helping poverty-stricken groups and people in need.<sup>4</sup>

7. In order to continue the work of Labour and Welfare Bureau (LWB) on poverty alleviation, the Administration had put a request to ESC (EC(2010-11)13) seeking its support to retain a supernumerary post of Administrative Officer Staff Grade C (D2) in LWB for three years with effect from March 2011 to coordinate the Administration's efforts in poverty alleviation. The Administration advised that due to the re-organization of the Government Secretariat in July 2007, LWB had taken up the responsibility of overseeing and coordinating poverty alleviation work across the Administration, a dedicated directorate officer was therefore needed to underpin LWB's efforts. When examining the Administration's staffing request at the ESC meeting on 5 January 2010, members expressed concerns about the progress of the Administration in taking forward the recommendations of CoP and the LegCo subcommittees for combating poverty. The response of the Permanent Secretary for Labour and Welfare was that poverty alleviation was a long-term commitment of the Government. Although the responsibility for overall coordination had been taken up by LWB, other bureaux/departments would collaborate with LWB in a concerted manner in introducing poverty alleviation measures within their respective policy areas.

### **Proposal for appointing a subcommittee on poverty alleviation**

8. At the ESC meeting on 5 January 2010, the ESC Chairman noted the Administration's plan to coordinate efforts on poverty alleviation in the next

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<sup>3</sup> See for example, the motion debate at LegCo meeting of 3 December 2008, and a written question and reply at LegCo meeting of 30 June 2010.

<sup>4</sup> The written reply from the Secretary for Labour and Welfare Bureau to a Member's written question at LegCo meeting of 30 June 2010.

three years and suggested appointing a Subcommittee to study issues relating to poverty alleviation and to follow up with the Administration on outstanding recommendations on poverty alleviation. As poverty alleviation straddled across a number of policy bureaux, the ESC Chairman was of the view that it would be appropriate for the proposed subcommittee to be set up under HC. Hon LAU Kong-wah, however, suggested referring the proposal to the Panel on Welfare Services for consideration in the first instance. Members nevertheless agreed that the ESC Chairman could bring the matter up with HC to seek its views on the way forward.

### **Consideration for activation of subcommittees**

9. Members are invited to note that Rule 20(j)(ii) of the House Rules stipulates that "HC may appoint a subcommittee to assist the committee's consideration of an issue of public concern which falls outside the purview of Panels or any other matter relating to the business of the Council." Rule 20(k) specifies that in the appointment of subcommittees, the subcommittees' "terms of references shall be decided by HC, and should be issue-specific or project-specific". These subcommittees "may report to HC at any time when they consider appropriate, but should do so as soon as they have completed the work."

10. Rule 26 provides that the maximum number of subcommittees appointed by HC and Panels to study policy issues that may be in operation at any one time is eight. If the number of such subcommittees has reached eight and new subcommittees have been appointed, a waiting list will be formed. The order of subcommittees on the waiting list is in the chronological order of their appointment. Where the number of Bills Committees in operation is less than 16, HC may activate the subcommittees on the waiting list after having considered the following –

- (a) the number of vacant slots for Bills Committees;
- (b) the number of bills likely to be introduced to the Council in the next three months;
- (c) the number of subcommittees on subsidiary legislation already or likely to be appointed by HC and by Bills Committees; and
- (d) the availability of resources in the Secretariat.

11. The staffing support in Council Business Divisions 1 and 2 can provide service to a total of 56 committees. As at 16 March 2011, the two Divisions are servicing a total of 50 committees including HC, Finance Committee and its two subcommittees, 18 Panels, 12 Bills Committees, 10 subcommittees on

policy issues, two other subcommittees under HC and four subcommittees on subsidiary legislation. The Subcommittee on Retirement Protection under the Panel on Welfare Services will commence its work in late April 2011. The remaining four slots for Bills Committees will shortly be taken up by four of the 14 Bills to be introduced in the coming three months. It is expected that at least eight subcommittees on subsidiary legislation will likely be appointed, making a total of 63 committees operating at the same time in the next three months. A position report on the existing and anticipated number of Bills Committees and subcommittees is in **Appendix** to facilitate Members' consideration.

12. Members may wish to note that the Panel on Health Services will seek HC's approval to activate its Subcommittee on Registration of Proprietary Chinese Medicines appointed on 14 March 2011 to study the registration of proprietary Chinese medicines. Proposal has also been made for the appointment of another subcommittee to study issues relating to insurance coverage for the transport trade. Given the existing and anticipated heavy workload, the Secretariat will not be able to absorb the servicing of the proposed subcommittee for the time being. The Secretariat will review its capacity for coping with the additional workload if the proposed subcommittee is appointed.

### **Advice sought**

13. Members are invited to advise on whether –
- (a) to appoint a subcommittee under HC to study issues relating to poverty alleviation; or
  - (b) to refer the proposal to appoint a subcommittee to study issues relating to poverty alleviation to the Panel on Welfare Services for consideration.

**Existing and anticipated number of Bills Committees and subcommittees**  
(position as at 16 March 2011)

<i>Estimated number of Bills Committees ("BCs") within the next three months</i> <i>(a)+(b) = ( 12 + 14 ), i.e. <u>26</u></i> <i>(The maximum number of BCs in operation is limited to 16; BCs formed exceeding this number will be put on a waiting list)</i>		<i>Estimated number of subcommittees ("SCs") on subsidiary legislation within the next three months</i> <i>(c)+(d) = ( 4 + 8 ), i.e. <u>12</u></i>		<i>Estimated number of SCs on policy issues / other SCs under House Committee ("HC") within the next three months</i> <i>(e)+(f) = ( 12 + 3 ), i.e. <u>15</u></i>	
<b>BCs</b> <i>( Maximum number in operation: 16 )</i>		<b>SCs on subsidiary legislation</b> <i>( Notional maximum number : 2 )</i>		<b>SCs on policy issues/other SCs under HC</b> <i>( Maximum number of SCs on policy issues : 8 )</i>	
<b>(a)</b> <b>BCs in action</b>	<b>(b)</b> <b>BCs expected to be formed in the next three months</b>	<b>(c)</b> <b>SCs on subsidiary legislation in action</b>	<b>(d)</b> <b>Subsidiary legislation expected to be gazetted in the next three months and on which SCs are expected to be formed</b>	<b>(e)</b> <b>SCs on policy issues/other SCs under HC in action</b>	<b>(f)</b> <b>SCs on the waiting list</b>
<b>Total : 12</b>	<b>14</b>	<b>Total : 4</b>	<b>8</b>	<b>Total : 12</b>	<b>4</b>
Please refer to List A of the Position Report on Bills Committees and subcommittees (the Position Report) (LC Paper No. CB(2) 1278/10-11) for details of the BCs.	(i) Bills on the 2010-2011 Legislative Programme	1. SC on Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2011 and Securities and Futures (Financial Resources) (Amendment) Rules 2011 2. SC on Public Revenue Protection (Dutiable Commodities) Order 2011 3. SC on Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011 4. SC on Mutual Legal Assistance in Criminal Matters (India) Order	1. Public Light Bus (Limitation on Number) Notice made under section 23(3) of the Road Traffic Ordinance (Cap. 374) 2. Subsidiary legislation relating to the Chief Executive Election and the Legislative Council Election in 2012 3. Subsidiary legislation to give effect to adjustment in the fares for the hiring of urban, New Territories and Lantau taxis 4. Subsidiary legislation to introduce amendments to the Fisheries Protection Regulations to ban trawling activities in Hong Kong waters 5. Revised Code of Practice on Employment under the Disability Discrimination Ordinance 6. Subsidiary legislation to implement the recommendations arising from the five-yearly review of the criteria for	(i) SCs on policy issues under HC	1. SC on Retirement Protection under the Panel on Welfare Services (HC agreed at its meeting on 21 January 2011 that the SC be activated in three months' time.) 2. SC on Improving Barrier Free Access and Facilities for Persons with Disabilities under the Panel on Welfare Services (HC agreed at its meeting on 21 January 2011 that the SC be activated after the SC on Residential and Community Care Services for Persons with Disabilities and the Elderly under the Panel on Welfare
	Of the 15 bills in the Administration's 2010-2011 updated Legislative Programme which have not yet been introduced into the Legislative Council, 13 BCs are expected to be formed in the next three months on the following Bills :			1. SCs on policy issues/other SCs under HC in action	
	1. Copyright (Amendment) Bill 2. Pyramid Selling Prohibition (Amendment) Bill 3. Trade Descriptions (Amendment) Bill 4. Electoral Arrangements (Miscellaneous Provisions) Bill 2011 5. Lifts and Escalators Bill 6. Fisheries Protection (Amendment) Bill 7. A bill to improve the regulatory regime for the financial market 8. Guardianship of Minors (Amendment) Bill			Subsidiary legislation expected to be gazetted in the next three months and on which SCs are expected to be formed	
				<b>Sub-total : 2</b>	
				(ii) SCs on policy issues under Panels	
				Sub-total : 8	
				(iii) Others SCs under HC	
				Sub-total : 2	

	<p>9. Protection of Wages on Insolvency (Amendment) Bill</p> <p>10. Immigration (Amendment) Bill 2011</p> <p>11. Road Traffic (Amendment) Bill</p> <p>12. Road Traffic (Amendment) (No. 2) Bill</p> <p>13. Enduring Powers of Attorney (Amendment) Bill</p> <p style="text-align: right;"><b>Sub-total : 13</b></p> <hr/> <p>(ii) Members' Bill</p> <p>The Hong Kong Polytechnic University (Amendment) Bill 2011</p> <p style="text-align: right;"><b>Sub-total : 1</b></p>		<p>assessing the financial eligibility of legal aid applicants</p> <p>7. Subsidiary legislation to revise the minimum and maximum levels of relevant income for Mandatory Provident Fund contributions</p> <p>8. Subsidiary legislation to implement proposals for expanding the Supplementary Legal Aid Scheme</p>		<p>Services has completed its work.)</p> <p>3. SC on Registration of Proprietary Chinese Medicines under the Panel on Health Services</p> <p>4. SC to study the subject of poverty alleviation (Subject to approval of its appointment)</p>
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