

立法會
Legislative Council

LC Paper No. CB(2)304/13-14

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Subcommittee on Poverty

**Minutes of the twelfth meeting
held on Tuesday, 29 October 2013, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Dr Hon Fernando CHEUNG Chiu-hung (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon Alan LEONG Kah-kit, SC
Hon WONG Yuk-man
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon CHAN Yuen-han, SBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon TANG Ka-piu

Members absent : Hon LEUNG Kwok-hung
Hon Frankie YICK Chi-ming
Hon LEUNG Che-cheung, BBS, MH, JP

Member attending : Hon Emily LAU Wai-hing, JP

**Public Officers : Item I
attending**

Mrs Carrie LAM, GBS, JP
Chief Secretary for Administration

Mr Matthew CHEUNG, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Mr Patrick NIP, JP
Director (Special Duties)
Chief Secretary for Administration's Private Office

Ms Doris HO
Head, Policy & Project Co-ordination Unit
Chief Secretary for Administration's Private Office

Mr Benny LUI
Principal Economist(5)(Ag)
Economic Analysis and Business Facilitation Unit

**Clerk in
attendance** : Mr Colin CHUI
Chief Council Secretary (2) 4

**Staff in
attendance** : Ms Catherina YU
Senior Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

- I. Briefing by Commission on Poverty regarding Commission on Poverty Summit and work progress of the Commission and its Task Forces**
[LC Paper Nos. CB(2)127/13-14(01) and (02)]
2. The Subcommittee deliberated (index of proceedings attached at **Annex**).

Action

II. Continuation of work of the Subcommittee

[LC Paper No. CB(2)127/13-14(03)]

3. Members supported the proposed continuation of the Subcommittee's work for about 13 months until 30 November 2014. Members noted that the proposal would be submitted to the House Committee for endorsement.

III. Subjects to be discussed at meetings in November 2013 to January 2014

[LC Paper No. CB(2)127/13-14(04)]

4. Members agreed to the subjects to be discussed at meetings in November 2013 to January 2014 as set out in LC Paper No. CB(2)127/13-14(04). Members also agreed that the subject of "Ways to alleviate the poverty situation through assisting the public to start up business in an innovative manner" should also be discussed at the meeting in January 2014 and representatives from the Social Innovation and Entrepreneurship Development Fund Task Force of the Commission on Poverty should be invited to the meeting.

IV. Any other business

5. There being no other business, the meeting ended at 4:50 pm.

Council Business Division 2
Legislative Council Secretariat
19 November 2013

**Proceedings of the twelfth meeting of the
Subcommittee on Poverty
on Tuesday, 29 October 2013, at 2:30 pm
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda item I – Briefing by Commission on Poverty regarding Commission on Poverty Summit and work progress of the Commission and its Task Forces</i>			
000302 - 002240	Chairman Administration	Opening remarks Briefing by the Administration on the Commission on Poverty ("CoP") Summit and the work progress of CoP and its Task Forces.	
002241 - 002753	Dr KWOK Ka-ki Administration Chairman	<p>Dr KWOK Ka-ki's view that –</p> <ul style="list-style-type: none"> (a) it was disappointing that the Government considered eliminating poverty not possible and that it lacked solid poverty alleviation measures; (b) Comprehensive Social Security Assistance ("CSSA") and public rental housing ("PRH") were effective measures in alleviating poverty but CoP had not proposed any concrete measures to improve CSSA and increase or speed up the supply of PRH; and (c) concrete measures should be implemented to help the working poor. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) it had made clear that poverty alleviation measures would be formulated following the setting up of the poverty line; (b) CoP had completed the work of setting the poverty line ahead of schedule to tie in with the consultation timetable for the upcoming Policy Address and Budget, so as to complement resource allocation with the implementation of poverty alleviation policies; and (c) it would study the feasibility of the provision of a supplement for low-income working households ("the low-income supplement"). 	

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002754 - 003422	Ms Emily LAU Administration Chairman	<p>Ms Emily LAU's view and enquiry about –</p> <p>(a) the Hong Kong Poverty Situation Report 2012 did not include statistics on the poverty situation of different disadvantaged groups, e.g. ethnic minorities ("EM"), underprivileged children, etc. In the absence of such information, the Administration would not be able to formulate measures targeted towards them; and</p> <p>(b) whether Hong Kong, being such a rich city, had lagged far behind in terms of formulating policies and providing assistance to help the needy when compared with other developed countries.</p> <p>The Administration's response that –</p> <p>(a) adopting the concept of "relative poverty" and setting the poverty line at 50% of the median monthly household income ("MMHI") was comparable to the same approach as adopted by the Organisation for Economic Co-operation and Development ("OECD");</p> <p>(b) Hong Kong had to maintain its competitiveness through a low tax policy. The Administration had to be prudent in managing public finance and keep its expenditures within the limits of revenues as required by the Basic Law;</p> <p>(c) while increases in public expenditure should commensurate with the accumulated economic growth, the Administration had allowed public expenditures to exceed the accumulated economic growth when necessary;</p> <p>(d) in allocating resources, it was inappropriate to focus on social services without taking into account other major policy areas and the economic environment; and</p> <p>(e) the monthly General Household Survey could not generate sufficient data for analyzing the poverty situation of EM and persons with disabilities ("PWDs") in a statistically sound manner. Statistics on PWDs and patients with chronic diseases were being collected in a special survey.</p>	

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		<p>Another special survey on the poverty situation of EM would also be conducted. Special attention would be given to the needs of EM and PWDs in poverty.</p>	
003423 - 004015	Mr TANG Ka-piu Administration Chairman	<p>Mr TANG Ka-piu's enquiries about –</p> <p>(a) how Statutory Minimum Wage ("SMW") could be enhanced to help improve the poverty situation of the poor working households ; and</p> <p>(b) the implementation timetable for the low-income supplement and the Administration's target to reduce the poor population after the implementation of the low-income supplement.</p> <p>The Administration's response that –</p> <p>(a) SMW and poverty alleviation were two different concepts. SMW provided wage protection for low-income employees. Given the variations in household expenses and household size, one should not expect that everyone could fully support his/her family with the implementation of SMW. It was also unreasonable to require employers to consider their employees' family expenses when setting wage levels.</p> <p>(b) while SMW had the effect of improving the earnings of low-income employees notably, it alone could not solve poverty problems; and</p> <p>(c) the Administration was seriously studying the subject of low-income supplement and analyzing the views from some community groups on the subject matter. It hoped to provide a response in the 2014 Policy Address.</p>	
004016 - 004721	Deputy Chairman Administration Chairman	<p>The Deputy Chairman's view that –</p> <p>(a) the Administration should set specific targets and a time frame to reduce the number of poor people. The poor population should be reduced by half within the current term government;</p> <p>(b) it was unacceptable for the Government to state that poverty elimination was not possible. As public resources were</p>	

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		<p>sufficient to allow the impoverished to escape poverty, the Government should demonstrate its determination to eliminate poverty; and</p> <p>(c) the Administration should have clear direction and concrete measures to help those who had worked very hard but were still living in poverty because they were unfairly remunerated.</p> <p>The Administration's response that –</p> <p>(a) the setting of an official poverty line and the examination of the poverty situation in an open manner had signified the current term Government's determination and commitment in tackling poverty;</p> <p>(b) the poverty line was not a “poverty alleviation line”. In addition to providing support for those living below the poverty line, poverty alleviation measures might also be considered for people with income level marginally above the poverty line for the purpose of poverty prevention. The needs of this group might be overlooked if a rigid target was set merely aiming to reduce the number of people living below the poverty line;</p> <p>(c) the capability of public finance would be affected by the economic cycle. It was not advisable to spend a large portion of public funds on poverty alleviation and ignore other social services; and</p> <p>(d) any low-income supplement would have to be pro-employment and pro-children. Incentives for taking up employment should also be considered.</p>	
004722 - 005340	Mr KWOK Wai-keung Administration Chairman	<p>Mr KWOK Wai-keung's view and enquiry about –</p> <p>(a) exploitation of workers by some employers was one of the causes of poverty. Employers should contribute more to the society by paying more profits tax;</p> <p>(b) importation of labour should not be considered as it would have an adverse effect on the wages of local workers; and</p>	

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		<p>(c) whether the Administration would take forward the proposal of the Hong Kong Federation of Trade Unions ("HKFTU") on a low-income supplement, i.e. the harder a worker worked, the more low-income supplement he/she would get.</p> <p>The Administration's response that –</p> <p>(a) low tax rates had been adopted by many economies in order to stay competitive. The consequences of increasing tax rates on Hong Kong's competitiveness should not be neglected ;</p> <p>(b) the Administration concurred with HKFTU's idea that any low-income supplement should encourage employment. The Administration was studying and analyzing the proposals from political groups, academics, non-governmental organizations, concern groups, etc. on low-income supplement and would seek CoP's views on the proposals; and</p> <p>(c) the interests of local workers would be duly protected in case of labour importation. Importation of labour would only be allowed for the job vacancies that could not be filled by local workers. Imported workers under the Supplementary Labour Scheme were required to be paid at least the median monthly wages of local workers in comparable positions.</p>	
005341 – 005931	Mr LEUNG Yiu-chung Administration Chairman	<p>Mr LEUNG Yiu-chung's view that –</p> <p>(a) the Administration should effectively allocate resources so that people in need would receive the required support;</p> <p>(b) targets should be set to alleviate poverty progressively with poverty elimination as a goal;</p> <p>(c) open consultation with community groups should be conducted on how to eliminate poverty; and</p> <p>(d) the Administration should scrap the requirement of declaration by family members of the needy elderly for not supporting them financially, so as to allow</p>	

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		<p>these elderly persons to apply for CSSA on an individual basis, thereby relieving their poverty situation.</p> <p>The Administration's response that –</p> <p>(a) in view of limited public resources, the Administration had to strike a balance between meeting the different needs in society;</p> <p>(b) the Administration had so far received around 10 proposals from political parties, community groups, non-governmental organizations and academics, etc. on low-income supplement. The Chief Secretary for Administration would meet 爭取低收入家庭保障聯席 about its proposal; and the Administration had received proposals from HKFTU, Neighbourhood and Worker's Service Centre, Hong Kong Association for Democracy and People's Livelihood, Oxfam Hong Kong, The Hong Kong Council of Social Service, Professor WONG Hung, 社區發展陣線, 爭取低收入家庭保障聯席 and other academia on the low-income supplement; and</p> <p>(c) the Administration would study issues relating to elderly poverty taking into account the effect of Old Age Living Allowance and the outcome of the study on retirement protection undertaken by Professor Nelson CHOW and his research team. The Administration would also consider appropriate measures to address the institutional care needs of elderly CSSA recipients.</p>	
005932 - 010450	Mr WONG Yuk-man Administration Chairman	Mr WONG Yuk-man's view that the problem of poverty could not be resolved unless the Government changed its principle and mindset in formulating policies. The policy directions should be people and caring oriented.	
010451 - 011204	Mr Albert HO Administration Chairman	<p>Mr Albert HO's view that –</p> <p>(a) the lack of specific targets for poverty alleviation was the Administration's attempt to avoid the expectation of and scrutiny from the public;</p> <p>(b) the Government should make use of the huge surplus to enhance the overall education level of Hong Kong people and Hong Kong's</p>	

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		<p>productivity, thereby reducing or eliminating poverty; and</p> <p>(c) the fruits of economic growth and development should be rationally allocated to the society to narrow the wealth gap.</p> <p>The Administration's response that –</p> <p>(a) updated poverty statistics would be released on a yearly basis so that the public could assess the effectiveness of poverty alleviation measures; and</p> <p>(b) one of the key considerations of adopting the concept of relative poverty in setting the poverty line was to allow members of society to share the fruits of economic development.</p>	
011205 - 011733	Mr Ronny TONG Administration Chairman	<p>Mr Ronny TONG's view that –</p> <p>(a) it was disappointing that the Administration did not have any concrete proposals to solve the problem of poverty; and</p> <p>(b) the Administration should provide more support for tertiary education and increase the number of subsidized tertiary places to facilitate upward mobility for the poor youth.</p> <p>The Administration's response that both employment and education, including vocational training, were important for achieving upward mobility. CoP's Education, Employment and Training Task Force ("EETTF") was looking into the relevant matters.</p>	
011734 - 012309	Mr Alan LEONG Administration Chairman	<p>Mr Alan LEONG's view that poverty could be eliminated by lifting the households in poverty above the poverty line through the provision of subsidy. The Administration should critically reconsider its view that poverty could not be eliminated.</p> <p>The Administration's response that the people living below the poverty line did not necessarily require government assistance if they were asset-rich. By the same token, people whose earnings were slightly above the poverty line might be at poverty risk and hence might require government assistance. Public resources should target at the most needy, and providing subsidy across the board to the 1.02 million poor population would not be the right policy approach.</p>	

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012310 - 012946	Mr LEE Cheuk-yan Administration Chairman	<p>Mr LEE Cheuk-yan's view that –</p> <p>(a) without specific targets for poverty alleviation, it would not be possible to monitor and improve relevant measures. The Labour Party considered that the Government should target at reducing the poor population by half within its current term; and</p> <p>(b) raising wages would help alleviate the poverty situation of the working poor. SMW rate should be reviewed on a yearly basis.</p> <p>The Administration's response that it was imprudent to set quantitative targets on poverty alleviation without considering the possible pressure on public finance and the changes in the economic cycle in the coming years. As public funds were limited, they should be deployed to help those most in need. The Administration would follow this principle in formulating any poverty alleviation measures. The Administration would also assess the number of poor people and poverty rate that could be reduced with the implementation of the measures. The public could monitor the effectiveness of the measures through the benchmarks.</p>	
012947 - 013452	Mr CHEUNG Kwok-che Administration Chairman	<p>Mr CHEUNG Kwok-che's declaration that he was a member of CoP and his enquiries about whether the Administration would –</p> <p>(a) consider providing allowance for carers of PWDs; and</p> <p>(b) gauge views of community groups on poverty alleviation measures before the proposals were finalized so as to incorporate their views into the proposals.</p> <p>The Administration's response that-</p> <p>(a) the Community Care Fund Task Force of CoP would study the feasibility of introducing a pilot scheme on elderly carer allowance for low income families. Provision of allowance for other carers would be explored having regard to the outcome of the pilot scheme; and</p> <p>(b) there would be sufficient room for collection</p>	

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		of public views on proposals relating to poverty alleviation before their implementation.	
013453 - 014019	Mr CHAN Chi-chuen Administration Chairman	<p>Mr CHAN Chi-chuen's view and enquiry about –</p> <p>(a) the Administration had tried to shirk its responsibilities by making no attempt to eliminate poverty and not setting any targets for poverty alleviation; and</p> <p>(b) what steps the Administration would take to help the post-secondary degree holders who were living in poverty.</p> <p>The Administration's response that –</p> <p>(a) one of the functions of the poverty line was to evaluate the effectiveness of government policy intervention. Further measures to improve the poverty situation would be drawn up with reference to the analysis of poverty situation; and</p> <p>(b) diversifying our economic base would create more quality jobs for young people. In view of the great demand for skilled workers in certain industries, EETTF was also considering how to integrate vocational education, on-the-job training and placement services as an alternative learning and career route for young people.</p>	
014020 - 014529	Miss CHAN Yuen-han Administration Chairman	<p>Miss CHAN Yuen-han's view that –</p> <p>(a) HKFTU considered it necessary to implement low-income supplement to alleviate the poverty situation of the working poor;</p> <p>(b) the Administration should not aim at improving the poverty situation of certain needy groups only. It should endeavor to eliminate poverty; and</p> <p>(c) to safeguard the interests of local workers, the Administration should identify the cause of labour shortage before considering the importation of labour.</p> <p>The Administration's response that taking into account the data analysis for the poverty line, CoP considered that the poor working families, especially those with children, would require</p>	

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		<p>priority attention. The Administration would strive to secure the necessary resources to help other needy groups and provide more information in this regard in the 2014 Policy Address.</p>	
014530 - 015229	Chairman Administration	<p>The Chairman's declaration that he was a member of CoP and his view that –</p> <ul style="list-style-type: none"> (a) the Government had no determination in eliminating poverty and adopting the relative poverty approach alone could not eliminate poverty; (b) poverty elimination would be possible if the concepts of disposable income and absolute poverty were adopted and several poverty lines were set at different percentages of MMHI. Specific poverty alleviation targets should be set; (c) CoP should also look into how economic development could help improve the poverty situation in Hong Kong; and (d) consultations should be conducted before the Administration put forward its framework of poverty alleviation measures, so as to enable more options to be provided for consideration. <p>The Administration's response that CoP had a wide representation as it comprised representatives from various sectors. The Administration would engage CoP in discussion before finalizing the design of any major poverty alleviation measures. For example, members' views would be sought at the next CoP meeting on several broad parameters of the proposed low-income supplement arrangement. As it was uncertain about how much resources would be allocated to different measures at this stage, public consultation was not suitable to avoid undue expectation.</p> <p>Extension of meeting time for 15 minutes beyond the appointed ending time by the Chairman.</p>	
015230 - 015539	Mr TANG Ka-piu Administration Chairman	<p>Mr TANG Ka-piu's view that many employers would not consider a pay rise or improving working conditions for local workers if job vacancies could be filled by imported labour. The Administration should critically look into the impact of importation of labour.</p>	

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		<p>The Administration's reiteration that a mechanism was in place to safeguard the interests of local workers and the public engagement exercise on population policy invited the public to consider a more effective importation scheme without jeopardizing the interests of local workers amongst many other issues.</p>	
015540 - 015900	Deputy Chairman Chairman	<p>The Deputy Chairman's view that –</p> <ul style="list-style-type: none"> (a) steps should be taken to enable the working poor to also benefit from the economic growth; (b) support for the disadvantaged groups which included EM, PWDs, single-parent families, new arrivals and patients with chronic diseases should be stepped up; and (c) public consultation on poverty alleviation measures should be conducted as early as possible. <p>The Administration's response that CoP was working towards the direction of promoting employment among those people who were capable of working in both CSSA and non-CSSA households below the poverty line.</p>	
015901 - 020216	Miss CHAN Yuen-han Chairman	<p>Miss CHAN Yuen-han's view that the Administration should handle importation of labour carefully. It should examine the reasons for labour shortage and adopt measures to unleash the potential of the local population.</p>	
020217 - 020539	Dr KWOK Ka-ki Administration Chairman	<p>Dr KWOK Ka-ki's view that the Administration's inability to solve housing problems had created poverty and rent allowance should be provided for the most needy.</p>	
020540 - 020846	Mr LEE Cheuk-yan Administration Chairman	<p>Mr LEE Cheuk-yan's view and enquiry about –</p> <ul style="list-style-type: none"> (a) the Administration should not use fiscal discipline as an excuse not to step up its efforts in providing assistance for the needy. The Government had the financial capability for substantial increase in public expenditures; (b) to solve the problem of working poor, improvement to SMW and provision of low-income supplement should be introduced in parallel; and 	

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		<p>(c) whether the Administration would review SMW on a yearly basis so that an increase in SMW rate could take effect on 1 May 2014.</p> <p>The Administration's response that a review of the SMW rate might be conducted within less than two years if so warranted and subject to the availability of relevant statistical data.</p>	
020847 - 021158	Chairman Administration	<p>The Chairman's reiteration that CoP should include economic-related matters in its discussions and capitalize overseas experience in developing social enterprises ("SE").</p> <p>The Administration's response that the development of SE could be discussed at CoP's Social Innovation and Entrepreneurship Development Fund Task Force. CoP could follow-up when SE projects under the Social Innovation and Entrepreneurship Development Fund were scaled up and required support from policy bureaux.</p> <p>Members agreed to further extend the meeting time for five minutes.</p>	
021159 - 021518	Mr TAM Yiu-chung Administration Chairman	<p>Mr TAM Yiu-chung's view that –</p> <p>(a) elaboration on the concept of relative poverty was necessary for the public to better understand the concept;</p> <p>(b) the Democratic Alliance for the Betterment and Progress of Hong Kong had suggested converting the Work Incentive Transport Subsidy Scheme to low-income supplement; and</p> <p>(c) a balance should be struck between helping the low-income groups and avoidance of making Hong Kong a welfare society.</p>	
021519 - 021650	Miss CHAN Yuen-han Administration Chairman	<p>Miss CHAN Yuen-han's reiteration of her concern about labour importation.</p> <p>The Administration's response that views would be collected regarding labour importation during the public engagement exercise on population policy and it would take into account the views received in considering the way forward.</p>	
<i>Agenda item III – Subjects to be discussed at meetings in November 2013 to January 2014</i>			

Time marker	Speaker(s)	Subject(s)	Action required
021651 - 021830	Chairman	Members decided on the subjects to be discussed at meetings in November 2013 to January 2014.	
<i>Agenda item II – Continuation of work of the Subcommittee</i>			
021831 - 021918	Chairman	Members' support on the proposed continuation of the Subcommittee's work up to 30 November 2014.	
<i>Agenda item IV – Any other business</i>			
021919 - 021925	Chairman	Closing remarks	

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