

立法會
Legislative Council

LC Paper No. CB(2)640/13-14
(These minutes have been
seen by the Administration)

Ref : CB2/HS/1/12

Subcommittee on Poverty

**Minutes of the thirteenth meeting
held on Friday, 22 November 2013, at 4:00 pm
in Conference Room 2 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 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 LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Frankie YICK Chi-ming
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon TANG Ka-piu

Member absent : Hon LEE Cheuk-yan

**Public Officers : Item II
attending**

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

Ms Jane LEE
Principal Assistant Secretary for Labour and Welfare
(Poverty)
Labour and Welfare Bureau

**Attendance by : Item II
invitation**

Oxfam Hong Kong

Mr HO Chun-kit
Policy Officer

爭取低收入家庭保障聯席

Ms YEUNG Pui-yan
Community Organizer

Hong Kong Association for Democracy and
People's Livelihood

Mr LI Ting-fung
Community Officer

Social Affairs Committee of the Hong Kong
Federation of Trade Unions

Mr HO Ngai-kam
Committee Member

Neighbourhood and Worker's Service Center

Miss Yoyo CHAN Ka-yiu
Organizer

Community Development Alliance

Mr KONG Kin-shing
Social Worker

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

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

Ms Ivy CHENG
Research Officer 3

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Confirmation of minutes

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

The minutes of the meeting held on 29 October 2013 were confirmed.

II. Working poverty

[LC Paper Nos. CB(2)298/13-14(01) and (02); and FS03/13-14]

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

3. The Subcommittee passed the following motion moved by Mr LEUNG Yiu-chung –

"本小組委員會要求當局就制訂低收入家庭生活補貼，應符合以下原則：

Action

- (1) 以全港家庭入息中位數的50%為基礎，其可領取補貼的100%，而以累減百分比形式直至家庭入息中位數的75%；
- (2) 在基本補貼外，亦應額外支援個別需要支援的家庭成員，這包括"21歲以下的學童"、"殘疾人士"、"長期病患者"、"有特別需要的長者"和"有學習障礙的學童"；及
- (3) 簡化申請手續及取消資產審查。"

(Translation)

"That this Subcommittee calls on the Administration to observe the following principles in introducing the low-income family supplement:

- (1) supplement at 100% should be payable on the basis of a household income equivalent to 50% of the median household income in the territory and progressively reduced with the increase of household income until it reaches 75% of the median household income;
- (2) in addition to the basic supplement, extra support should be given to individual family members in need of support, including children under the age of 21, people with disabilities, people with chronic illness, elderly people with special needs and school children with learning disorders; and
- (3) the application procedure should be simplified and the asset test should be abolished."

4. The Subcommittee requested the Administration to –

- (a) provide the number of households and persons between 50% and 60% of the monthly median domestic household income ("MMDHI") and between 60% and 70% of MMDHI;
- (b) provide the number of children and elderly persons in the households mentioned in (a) above; and how many of these households were single-parent families and newly arrived

Action

families; and

- (c) consider the deputations' views in providing further assistance for low-income working families.

III. Subjects to be discussed at meetings in December 2013 to February 2014

[LC Paper No. CB(2)298/13-14(05)]

5. Members agreed that the following subjects should be discussed at the meeting in December 2013 –

- (a) Community Care Fund; and
- (b) Ways to alleviate poverty through information technology.

Regarding (b), members agreed that the discussion should cover issues relating to review on the Internet Learning Support Programme, enhancing lifelong learning support for people from low-income families, strengthening the network coverage for medical services and community care services for the elderly as well as enhancing social innovation development.

IV. Any other business

6. Members noted that the next meeting of the Subcommittee would be held on Tuesday, 17 December 2013 at 8:30 am.

7. There being no other business, the meeting ended at 6 pm.

Council Business Division 2
Legislative Council Secretariat
9 January 2014

**Proceedings of the thirteenth meeting of the
Subcommittee on Poverty
on Friday, 22 November 2013, at 4:00 pm
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda item I – Confirmation of minutes</i>			
000410 - 000450	Chairman	Confirmation of minutes of meeting of 29 October 2013.	
<i>Agenda item II – Working poverty</i>			
000451 - 001358	Chairman Administration	<p>Briefing by the Administration on –</p> <p>(a) the socio-economic characteristics of the working households living below the poverty line;</p> <p>(b) the existing government assistance programmes available to low-income working households; and</p> <p>(c) the proposals it received from various organizations for introducing a new allowance for low-income working families ("the low-income supplement") who were not under the Comprehensive Social Security Assistance ("CSSA") Scheme.</p>	
001359 - 001949	Dr KWOK Ka-ki Miss CHAN Yuen-han Administration Chairman	<p>Dr KWOK Ka-ki's views and enquiries –</p> <p>(a) the Civic Party considered that setting the poverty line at 50% of the median monthly domestic household income ("MMDHI") would render many low-income non-CSSA households not eligible for any government assistance;</p> <p>(b) the number of persons whose income level was between 50% and 60% of MMDHI; and</p> <p>(c) concrete data on how the various government assistance programmes had helped alleviate the poverty situation of the needy groups.</p> <p>The Administration's response that –</p> <p>(a) setting the poverty line using the concept of relative poverty and at 50% of median household income before government intervention was comparable to the approach as adopted by the Organisation for Economic</p>	

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		<p>Co-operation and Development, Oxfam Hong Kong and The Hong Kong Council of Social Service;</p> <p>(b) the number of households in poverty had been brought down from 541 000 (1 312 000 persons) to 403 000 (1 018 000 persons) after government policy intervention; and</p> <p>(c) poverty line is not 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.</p> <p>The Administration undertook to provide information on the number of persons whose income level was between 50% and 60% of MMDHI.</p>	Admin (paragraph 4 of the minutes)
001950 - 002346	<p>爭取低收入家庭保障聯席 Administration Chairman</p>	<p>Presentation of views [LC Paper No. CB(2)335/13-14(02)]</p> <p>(a) different levels of the low-income supplement should be provided for working households with income at 50%, 60% and 70% of the monthly median income of the number of working members in a household;</p> <p>(b) special allowance in addition to the basic supplement should be provided for low-income working households who had children with special educational needs ("SEN") or members with disabilities; and</p> <p>(c) the low-income supplement should be provided for households which satisfied the prescribed income limit requirement regardless of their composition.</p> <p>The Administration's response that it was considering how further assistance could be provided for low-income working households not receiving CSSA, and would welcome views from the public. The basic principle would be a low-income household should have at least one working member in order to be eligible for further assistance.</p>	
002347 - 002917	Miss CHAN Yuen-han Administration Chairman	Miss CHAN Yuen-han's expression of disagreement that the Administration only aimed to alleviate the poverty situation of certain groups but did not strive to eliminate poverty.	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>Miss CHAN's views and enquiries about –</p> <ul style="list-style-type: none"> (a) the Administration's direction in helping working poor households, i.e. whether it would only assist those working poor households with children; (b) Hong Kong's economy base should be diversified to allow employment for different groups of people; and (c) the Administration should address the problem of wealth gap through tax policies. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) statistical analysis had indicated that working poor families, especially those with children, would require priority attention. Assistance for working poor households should aim to enhance self-reliance, encourage employment and reduce inter-generational poverty; (b) the Administration would not rule out the implementation of poverty alleviation measures for working poor households without children; and (c) poverty could not be eliminated because under the concept of relative poverty, there were certain households bound to be below the poverty line. As the poverty line did not take into account assets, some individuals below the poverty line, e.g. retired elderly persons, might be asset-rich and had no financial needs. As such, poverty alleviation measures should be targeted at the neediest rather than at all those below the poverty line. 	
002918 - 003334	Oxfam Hong Kong Administration Chairman	<p>Presentation of views [LC Paper No. CB(2)335/13-14(01)]</p> <ul style="list-style-type: none"> (a) the income limit for the low-income supplement should be set at 50% of MMDHI; (b) the target beneficiaries of the low-income supplement should be low-income households with children aged 18 or below; (c) the provision of the low-income supplement should be subject to a minimum monthly/weekly working hours; and 	

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		<p>(d) the low-income supplement should not have an asset test and the application procedure should be simple.</p> <p>The Administration's response that if a low-income supplement were to be introduced, working hour requirements should be imposed . Given the limited public resources, means tests would be necessary to ensure that the neediest would receive the necessary assistance.</p>	
003335 - 003811	Social Affairs Committee of the Hong Kong Federation of Trade Unions ("HKFTU") Administration Chairman	<p>Presentation of views [LC Paper No. CB(2)325/13-14(01)]</p> <p>(a) the income limit for the low-income supplement should be set at 50% of MMDHI. Asset limit should be 24 times the income limit;</p> <p>(b) there should be working hour requirements for the low-income supplement. Different levels of supplement should be provided according to the number of hours worked;</p> <p>(c) the low-income supplement should be adjusted according to inflation; and</p> <p>(d) other measures such as setting up poverty alleviation saving accounts, introducing employment assistance programmes, implementing pro-employment economic development strategies, etc. should also be considered.</p> <p>The Administration's concurrence with HKFTU that further assistance to low-income working households should be pro-employment.</p>	
003812 - 004312	Deputy Chairman Administration Chairman	<p>The Deputy Chairman's views that –</p> <p>(a) the Administration should review the Statutory Minimum Wage ("SMW") rate on a yearly basis so as to raise the wage level of the workers who were engaged in low-skilled jobs; and</p> <p>(b) an annual review of the SMW rate would result in a reduction in the number of working poor households.</p> <p>The Administration's response that –</p> <p>(a) consideration was being given to provide further assistance to the working poor</p>	

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		<p>households not receiving CSSA, particularly those with children; and</p> <p>(b) according to the Minimum Wage Ordinance, a review of the SMW rate could be conducted in less than two years' time if so warranted.</p> <p>At the Deputy Chairman's request, the Administration undertook to provide information on –</p> <p>(a) the number of households and persons with income between 50% and 60% of MMDHI and between 60% and 70% of MMDHI; and</p> <p>(b) the number of children and elderly persons in the aforesaid households; and how many of these households were single-parent households or newly arrived households.</p>	Admin (paragraph 4 of the minutes)
004313 - 004738	Community Development Alliance Administration Chairman	<p>Presentation of views [LC Paper No. CB(2)335/13-14(04)]</p> <p>Full low-income supplement should be payable to a household with income at or below the poverty line and progressively reduced with the increase of household income level until it reached 70% of MMDHI.</p> <p>The Administration's response that poverty line was not “poverty alleviation line”, and that it would not rule out the possibility of covering people with income marginally above the poverty line in further poverty alleviation measures.</p>	
004739 - 005146	Mr LEUNG Che-cheung Administration Chairman	<p>Mr LEUNG Che-cheung's views that –</p> <p>(a) there should not be too many restrictions on the eligibility for the low-income supplement;</p> <p>(b) before the setting of the poverty line, the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB") had suggested that the low-income supplement should be converted from or built on the existing Work Incentive Transport Subsidy ("WITS") Scheme;</p> <p>(c) having regard to the latest statistics on the poor population, DAB was currently working on a new proposal for the low-income supplement. Its preliminary suggestion was</p>	

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		<p>that a basic supplement of \$1,500 be provided for working poor households. Working poor households with children or members with disabilities and single-parent households should receive a special allowance. DAB initially proposed that the maximum cash assistance for a working poor household should be \$3,000; and</p> <p>(d) the low-income supplement should be asset-tested but the requirements should not be too stringent.</p>	
005147 - 005648	Mr Albert HO Administration Chairman	<p>Mr Albert HO's view that –</p> <p>(a) the Democratic Party ("DP") shared some of the suggestions of 爭取低收入家庭保障聯席 on the low-income subsidy;</p> <p>(b) the low-income supplement should also be provided for the working households with income at 60% or 70% of MMDHI;</p> <p>(c) in addition to a basic supplement, special allowance should be offered to low-income working households with children or members with disabilities;</p> <p>(d) DP was exploring whether other financial assistance schemes such as rent allowance, WITS, etc. should be consolidated with the low-income supplement scheme to become a single policy; and</p> <p>(e) full-time carers for family members with disabilities who were not on CSSA should also be considered for the low-income supplement.</p> <p>The Administration's response that –</p> <p>(a) there was only rent allowance for eligible CSSA recipients, and amalgamation of different financial assistance measures should be carefully handled because of their different objectives; and</p> <p>(b) it was considering the provision of further assistance to low-income working families not receiving CSSA. Other needy groups should be supported by other appropriate measures.</p>	

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005649 - 010221	Mr CHEUNG Kwok-che Administration Chairman	<p>Mr CHEUNG Kwok-che's views that –</p> <ul style="list-style-type: none"> (a) the Labour Party considered that the concept of disposable income should be adopted for the low-income supplement scheme; (b) the low-income supplement could be progressively reduced with the increase of household income until it reached 75% of MMDHI, so that the households living marginally above the poverty line who were at poverty risk would also benefit; and (c) working poor households with members with disabilities, elderly persons requiring care, members with chronic illness should also be covered by the low-income supplement scheme. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) if an expenditure approach was to be adopted, up-to-date expenditure data would be required. But such data were only available in the Household Expenditure Surveys conducted by the Census & Statistics Department every five years; (b) persons with disabilities ("PWDs") with financial difficulties could apply for disability allowance under the Social Security Allowance ("SSA") Scheme ; and (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. <p>Mr CHEUNG's view that the Administration should plan for using the concept of disposable income in the long run.</p>	
010222 - 010704	Mr LEUNG Yiu-chung Administration Chairman	<p>Mr LEUNG Yiu-chung's enquiries about whether the Administration would offer assistance to those above the poverty line and the rationale of imposing an asset test under the low-income supplement scheme.</p> <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) it would not rule out the implementation of 	

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		<p>poverty alleviation measures for needy households marginally above the poverty line; and</p> <p>(b) given that the poverty line did not take into account assets, a means test mechanism should be in place to identify the neediest.</p>	
010705 - 011145	Neighbourhood and Worker's Service Center Administration Chairman	<p>Presentation of views [LC Paper No. CB(2)298/13-14(03)]</p> <p>(a) special consideration should be given to working poor households with children and elderly persons in the provision of the low-income supplement;</p> <p>(b) a higher level of supplement should be provided for the working poor households having children with SEN; and</p> <p>(c) a basic family supplement should be provided for one-person households and two-person working poor households without children.</p> <p>The Administration's response that –</p> <p>(a) any further assistance to low-income working households should be considered on the basis of the needy households' income and asset levels as well as the number of children in a household; and</p> <p>(b) the Administration would seriously consider the feasibility of providing a basic family supplement as suggested by some organizations.</p> <p>The Administration's response, to Neighbourhood and Worker's Service Center's request for the number of "asset-rich, income-poor" population, that it was unable to collect reliable data on the amount of asset possessed by households.</p>	
011146 - 011622	Mr LEUNG Kwok-hung Chairman	<p>Mr LEUNG Kwok-hung's views that –</p> <p>(a) some policies implemented by the former Government such as policies on retirement protection and wages had caused poverty;</p> <p>(b) given the huge fiscal surplus, the Administration should provide assistance for the needy on a family basis; and</p>	

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		(c) the Administration should consider revitalizing the assets of the "asset-rich, income-poor" retirees and provide them with pension.	
011623 - 012040	Hong Kong Association for Democracy and People's Livelihood Administration Chairman	<p>Presentation of views and enquiries about – [LC Paper No. CB(2)335/13-14(03)]</p> <p>(a) the Administration's target in reducing or eliminating poverty through the low-income supplement scheme;</p> <p>(b) the Administration's financial commitment to the low-income supplement scheme; and</p> <p>(c) how Government assistance available to low-income working households would achieve the objective of poverty prevention.</p> <p>The Administration's response that –</p> <p>(a) poverty line was not the “poverty alleviation line”. Further assistance would be considered for low-income working families not receiving CSSA; and</p> <p>(b) the current term Government was committed to poverty alleviation and would adopt a multi-pronged approach to help the needy groups.</p>	
012041 - 012427	Mr TANG Ka-piu Administration Chairman	<p>Mr TANG Ka-piu's views that –</p> <p>(a) HKFTU would prefer a low-income supplement without asset test but had no strong views against imposing an asset test on the proposed scheme. The Administration should avoid a complicated means test mechanism in order to maintain the attractiveness of the scheme; and</p> <p>(b) public rental housing ("PRH") tenants and applicants on the Central Waiting List ("CWL") of PRH should be covered by the proposed scheme and be exempted from an asset test.</p> <p>The Administration's response that it would consider Mr TANG's suggestion.</p>	
012428 - 012930	Chairman	<p>The Chairman's view that –</p> <p>(a) the Administration should consider providing the low-income supplement for singleton</p>	

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		<p>elderly persons and singleton PWDs even if they were above the poverty line;</p> <p>(b) the poverty line should be aligned with the basic subsistence level (i.e. the "CSSA level") by setting the "CSSA level" at 50% of MMDHI;</p> <p>(c) the working poor living below the poverty line should receive an amount of supplement which would lift them up to the poverty line (i.e. "the basic working poverty line"). The amount of supplement payable to those with income between 50% and 70% of MMDHI (i.e. "the poverty prevention line") should be half of the rate payable to those living below the poverty line;</p> <p>(d) The Commission on Poverty ("CoP") should assess the feasibility of providing additional supplement to households with children, elderly persons, PWDs and people with chronic illness if they were still in financial hardship after receiving other forms of SSA. The amount of supplement should be based on the number of such family members; and</p> <p>(e) the asset limit should be identical to that for PRH.</p>	
012931 - 013159	<p>爭取低收入家庭保障聯席 Administration Chairman</p>	<p>The Administration's response to 爭取低收入家庭保障聯席's enquiries about the means test and the poverty prevention line that –</p> <p>(a) any further assistance for low-income working households would adopt a means test as simple as possible; and</p> <p>(b) it would not rule out the possibility of implementing measures to help those marginally above the poverty line.</p>	
013200 - 013415	<p>Community Development Alliance Chairman</p>	<p>Views that the low-income supplement should not be converted from WITS because of their different objectives.</p>	
013416 - 013648	<p>Oxfam Hong Kong Administration Chairman</p>	<p>Concern that the low-income supplement might become a wage supplement and thus delay the review of the SMW rate. The low-income supplement and an annual review of the SMW rate should be implemented in tandem.</p> <p>The Administration's response that SMW and the low-income supplement were two different</p>	

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		concepts. The former provided wage protection for low-income employees while the latter sought to alleviate poverty.	
013649 - 013938	Deputy Chairman Chairman	<p>The Deputy Chairman's views that –</p> <p>(a) members of the society should be allowed to share the fruits of economic development. Under this principle, the Administration should review the SMW rate on a yearly basis;</p> <p>(b) the low-income supplement should be provided for special needs groups such as people requiring long-term care and for needy families living in private housing; and</p> <p>(c) the low-income supplement should have the function of poverty prevention. Households with income level between 50% and 70% of MMDHI should also be covered.</p>	
013939 - 014147	Neighbourhood and Worker's Service Center Administration Chairman	<p>Views that the Administration should consider providing supplement for casual workers who did not meet the working hour requirement. The Administration should be generous in the provision of the supplement.</p> <p>The Administration's response that many submissions received proposed the imposition of a working hour requirement. The Administration would take into account the suggestions made in the proposals received.</p>	
014148 - 014430	Mr LEUNG Kwok-hung Chairman	<p>Mr LEUNG Kwok-hung's views that –</p> <p>(a) to eliminate poverty, the level of supplement should be based on the living index of the impoverished groups; and</p> <p>(b) taxes for the provision of the low-income supplement should be imposed to ensure that the fruits of economic development were shared amongst the society, particularly low-income persons.</p>	
014431 - 014643	Hong Kong Association for Democracy and People's Livelihood Administration Chairman	<p>Views that the Administration should set a higher target for reducing the poor population.</p> <p>The Administration's response that it would first focus on providing assistance for the working poor households. The Administration was also considering appropriate measures to address the needs of other special needs groups.</p>	

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014644 - 014909	Chairman Administration	The Administration's response to the Chairman's earlier views that – (a) eligible singleton workers could apply for WITS; and (b) CSSA was to cater for basic needs and had a different purpose vis-à-vis assistance for low-income working families.	
014910 - 015121	Miss CHAN Yuen-han Chairman	Miss CHAN Yuen-han's view that the Administration should be open-minded about the suggestions received and consider the deputations' views in providing further assistance for low-income working families.	Admin (paragraph 4 of the minutes)
015122 - 015235	Social Affairs Committee of the Hong Kong Federation of Trade Unions Chairman	Presentation of views [LC Paper No. CB(2)325/13-14(01)] (a) economic development strategies should allow grassroots workers to share the fruits of economic development; (b) the SMW rate should be reviewed on a yearly basis; and (c) to prevent poverty, the scale of importation of labour should not be expanded. The Administration should strengthen training and development for workers, thereby increasing their bargaining power.	
015236 - 015359	Chairman Mr LEUNG Yiu-chung	The motion moved by Mr LEUNG Yiu-chung was passed by the Subcommittee with five votes in favour of it and one abstention. Extension of meeting time for 10 minutes beyond the appointed ending time by the Chairman.	
015400 - 015519	爭取低收入家庭保障聯 席 Chairman	Request that the Administration should adopt the majority view of the submissions received in implementing the low-income supplement scheme.	
015520 - 015804	Oxfam Hong Kong Administration	Views that – (a) the Administration should take into account the structure of the labour market i.e. the number of full time workers versus casual workers, their working hours, etc. in designing the low-income supplement, so that the supplement would not become a subsidy for those employers who had exploited the workers by paying low wages; and	

Time marker	Speaker(s)	Subject(s)	Action required
		(b) if the low-income supplement aimed to help low-income earners, it should target at the underemployed persons.	
015805 - 015959	Chairman Administration	Timing for forwarding the Subcommittee report on working poverty to the Administration.	
<i>Agenda item III – Subjects to be discussed at meetings in December 2013 to February 2014</i>			
020000 - 020009	Chairman	Members decided on the subjects to be discussed at the meeting in December 2013.	
<i>Agenda item IV– Any other business</i>			
020010 - 020014	Chairman	Closing remarks	

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 9 January 2014