

立法會
Legislative Council

LC Paper No. CB(2)1632/13-14
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seen by the Administration)

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Subcommittee on Poverty

**Minutes of the sixteenth meeting
held on Wednesday, 29 January 2014, at 12:15 pm
in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Dr Hon Fernando CHEUNG Chiu-hung (Deputy Chairman)
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, 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
- Members absent** : Hon Albert HO Chun-yan
Hon Ronny TONG Ka-wah, SC
Hon CHAN Kin-por, BBS, JP
Hon TANG Ka-piu

**Public Officers : Item I
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

Mrs Angelina CHEUNG
Deputy Secretary for Education (6)
Education Bureau

Ms Candy LAU
Principal Assistant Secretary (Community Care Fund)
Home Affairs Bureau

**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. Policy initiatives relating to the work of the Commission on Poverty set out in the Chief Executive's 2014 Policy Address (excluding those on retirement protection)**
[LC Paper No. CB(2)768/13-14(01), the 2014 Policy Address booklet and the 2014 Policy Agenda booklet]

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

Action

II. Any other business

2. There being no other business, the meeting ended at 1:56 pm.

Council Business Division 2
Legislative Council Secretariat
30 May 2014

**Proceedings of the sixteenth meeting of the
Subcommittee on Poverty
on Wednesday, 29 January 2014, at 12:15 pm
in Conference Room 3 of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda item I – Policy initiatives relating to the work of the Commission on Poverty set out in the Chief Executive's 2014 Policy Address (excluding those on retirement protection)</i>			
000243 - 002415	Chairman Administration	Briefing by the Administration on the initiatives relating to poverty alleviation as set out in the 2014 Policy Address.	
002416 - 003042	Chairman Dr Priscilla LEUNG Administration	<p>Dr Priscilla LEUNG's views that –</p> <ul style="list-style-type: none"> (a) carer allowance should be provided for the middle-class people who were full-time carer and had financial difficulties; (b) to facilitate young middle-class families to purchase property, short-term rent allowance, say for a period of three years, should be provided for them; and (c) measures should be taken to help retirees aged between 60 and 70 pursue a second career, so as to better utilize the elderly resources and reduce the demand for social welfare services. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) the Community Care Fund ("CCF") was exploring to launch a pilot scheme on the provision of living allowance for carers of the elderly from low-income families ("the pilot scheme on carer allowance"). The Administration would seek the views of the Panel on Welfare Services on the pilot scheme ; (b) the Administration recognized that some middle-class people were facing housing problems but provision of rent allowance for them was a complicated issue which should be carefully examined; and (c) the Government was collecting views on, among others, the extension of the working life of mature workers under the public engagement exercise on population policy. The Administration was considering the 	

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		feasibility of deferring civil servants' retirement age. It hoped that employers would be flexible about the retirement age.	
003043 - 003457	Chairman Mr LEUNG Che-cheung Administration	<p>Mr LEUNG Che-cheung's view that it might be difficult for some low-income families to meet the requirement for 208 working hours under the proposed low-income working family allowance ("LIFA") scheme. He enquired about the calculation of the working hours for the LIFA scheme.</p> <p>The Administration's response that –</p> <p>(a) According to the statistics collected by the Census and Statistics Department (C&SD), around 60% of workers coming from low-income families not receiving Comprehensive Social Security Assistance ("CSSA") worked at least 144 but fewer than 208 hours a month, and more than 30% of the workers coming from these families worked 208 hours or more a month; and</p> <p>(b) the Administration would take into account the views collected in working out the parameters, including the calculation of working hours, for the LIFA scheme.</p>	
003458 - 003958	Chairman Mr LEUNG Yiu-chung Administration	<p>Mr LEUNG Yiu-chung' views that –</p> <p>(a) pilot schemes on allowance for carers of persons with disabilities and carers of persons with chronic illness should also be launched; and</p> <p>(b) some elderly persons could only work for a few hours a day because of their health conditions. To genuinely assist the needy who did not wish to rely on CSSA, LIFA should be provided for them regardless of the number of hours they worked.</p> <p>The Administration's response that –</p> <p>(a) the working hour requirement of 144 hours a month was appropriate as many workers worked 144 hours or more a month;</p> <p>(b) LIFA would not be designed to meet the needs of all types of low-income families. Those which could not meet the working hour requirement for LIFA and had difficulties in making ends meet might apply for CSSA; and</p>	

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		<p>(c) LIFA aimed to encourage employment and promote self-reliance. Setting too low the thresholds might discourage low-income earners to work more and thus had an adverse impact on the labour market.</p>	
003959 - 004602	Chairman Mr CHEUNG Kwok-che Administration	<p>Mr CHEUNG Kwok-che's views/enquiry –</p> <p>(a) the LIFA scheme should also cover low-income working families with members who were not receiving Disability Allowance ("DA"), Old Age Allowance or Old Age Living Allowance ("OALA") or with chronic illness. CCF should provide them with the necessary assistance;</p> <p>(b) assistance should be provided for the under-employed;</p> <p>(c) given the high rental expenses borne by many low-income households, the concept of disposable income should be adopted for setting poverty line or formulating poverty alleviation policies in the long run. The Administration should start collecting rent-related data to prepare for using the concept of disposable income; and</p> <p>(d) the role of the Efficiency Unit ("EU") in the LIFA scheme.</p> <p>The Administration's response that –</p> <p>(a) the policy objectives of LIFA were to encourage working members in non-CSSA low-income working households to stay in active employment and help alleviate inter-generational poverty. A higher level of allowance was suggested for those who worked longer hours to recognize their hard work;</p> <p>(b) a host of CCF programmes had been implemented to assist the needy. The Administration was also conducting a review on the eligibility criteria for DA;</p> <p>(c) there were practical difficulties in adopting an expenditure approach as up-to-date expenditure data were only available in the Household Expenditure surveys conducted by C&SD every five year. The Commission on Poverty ("CoP") had discussed thoroughly the practicality of using</p>	

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		<p>housing-related data in analysing poverty statistics and considered it appropriate to adhere to the existing approach in determining the poverty line. The Administration would keep in view the matter; and</p> <p>(d) the Administration's initial thinking was to seek assistance of EU in designing the LIFA scheme. In devising the operational details of LIFA, reference would be made having regard to the experience of the Social Welfare Department, the Labour Department, etc.</p>	
004603 - 005055	Chairman Mr KWOK Wai-keung Administration	<p>Mr KWOK Wai-keung's views and enquiries that –</p> <p>(a) the working hour thresholds for LIFA were far higher than those proposed by the Hong Kong Federation of Trade Unions. Such thresholds would render casual workers ineligible for LIFA;</p> <p>(b) allowing each eligible child in a low-income household to receive the same amount of child allowance regardless of the working hour tier would help alleviate inter-generation poverty;</p> <p>(c) whether a review would be conducted one year after the implementation of the LIFA scheme and the timing for receiving applications for LIFA; and</p> <p>(d) the operation of the CCF programme to provide rent allowance to CSSA recipients who had been Tenants Purchase Scheme ("TPS") flat owners for more than five years.</p> <p>The Administration's response that –</p> <p>(a) it aimed to finalize the details of the LIFA scheme within 2014 and implement the scheme in the latter part of 2015. LIFA would be reviewed at an opportune time; and</p> <p>(b) starting from 2014-2015, rent allowance would be provided for CSSA recipients who were owners-occupiers of TPS flats for five years or above .</p>	

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005056 - 005622	Chairman Deputy Chairman Administration	<p>The Deputy Chairman's views and enquiry about –</p> <ul style="list-style-type: none"> (a) low-income families with elderly, chronically ill or disabled members should also be covered by the LIFA scheme; (b) an applicant had to work 208 hours a month (i.e. about eight hours a day and six days a week) in order to receive a higher level of LIFA. The Administration should relax the working hour requirement as it ran counter to the 5-day work week advocated by the Government; (c) instead of counting the working hours of only one breadwinner of a family, the working hours of other working members in the family should also be counted for LIFA to encourage employment; and (d) the justifications for excluding low-income working singletons, who were not eligible for CSSA, from the LIFA scheme. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) counting the total working hours of all workers of a family might discourage some of them to work longer hours when the family reached the working hour threshold for LIFA. A suitable balance should be struck between helping the needy families with LIFA and maintaining work incentive; and (b) LIFA would be granted to the needy on a family basis. With the introduction of the statutory minimum wage ("SMW"), the recovery of labour market, and the enhancement of the Work Incentive Transport Subsidy ("WITS") Scheme, the income of a full-time singleton worker would not be too low. 	
005623 - 010232	Chairman Mr LEE Cheuk-yan Administration	<p>Mr LEE Cheuk-yan's view that –</p> <ul style="list-style-type: none"> (a) it was unacceptable for the Administration to use the constraints in data compilation as a reason for not adopting the concept of disposable income for the LIFA scheme; (b) the threshold of 208 working hours a month for LIFA was too high and departed from the 5-day work week and work-family balance 	

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		<p>practices advocated by the Government; and</p> <p>(c) it was infeasible to verify the number of working hours under LIFA. To simplify the operation of LIFA, a one-tier system should be adopted for both the working hours and the allowance, i.e. setting the working hours at 144 hours a month and the allowance at \$1,000 a month.</p> <p>The Administration's reiteration that the majority of workers could meet the threshold of 144 working hours a month to qualify for LIFA. Having regard to the long working hours of many low-income working people, a higher level of allowance was proposed to recognize their hard work.</p>	
010233 - 010717	Chairman Administration	<p>The Chairman's views that –</p> <p>(a) working 72 hours a month was generally regarded as continuous employment. Given that the majority of workers worked 144 hours a month, the working hour requirement should not be higher than that level. The working hours threshold should be lowered to 72 hours and 144 hours a month for receiving the basic allowance and a higher level of allowance respectively; and</p> <p>(b) a special allowance should be provided for LIFA recipients who were still living below the poverty line to lift them above the poverty line.</p> <p>The Administration's response that the poverty line was not a poverty alleviation line but a measurement tool to assist policy formulation. LIFA would seek to help preventing the beneficiary families from falling into the CSSA safety net and would also help prevent poverty.</p>	
010718 - 011036	Chairman Mr LEUNG Yiu-chung Administration	<p>Enquiries/views of Mr LEUNG Yiu-chung –</p> <p>(a) the Administration's plan for providing allowance for carers of persons who were chronically ill and carers of persons with disabilities;</p> <p>(b) justifications for setting the threshold at 144 hours a month, given that employees who worked for 18 hours or more a week and for four weeks a month were protected by the Employment Ordinance; and</p>	

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		<p>(c) many grass-roots were under-employed for reasons beyond their control. LIFA should be provided for the working poor regardless of the number of hours worked.</p> <p>The Administration's response that –</p> <p>(a) given that LIFA's objective was to encourage employment and promote self-reliance, the working hour threshold should not be too low; and</p> <p>(b) provision of allowance for carers of persons who were chronically ill and carers of persons with disabilities would be explored having regard to the experience gained from the pilot scheme on carer allowance.</p>	
011037 - 011225	Chairman Mr KWOK Wai-keung Administration	Mr KWOK Wai-keung's view that a review on LIFA should be conducted no later than six months after its implementation.	
011226 - 012131	Chairman Deputy Chairman Mr CHEUNG Kwok-che Administration	<p>The Deputy Chairman's reiteration that discounting the working hours of the second breadwinner of a family could not encourage employment and the requirement of 208 hours a month was too harsh.</p> <p>Mr CHEUNG Kwok-che's view that –</p> <p>(a) it was unfair to count the income but not the working hours of the second breadwinner of a household for LIFA; and</p> <p>(b) no financial assistance was currently provided by the Administration for needy two-person families composed of a chronically ill member and a full time carer.</p> <p>The Administration's recapitulation of LIFA's objectives and the basis for setting the working hour thresholds for LIFA.</p>	
012132 - 012713	Chairman Dr KWOK Ka-ki Administration	<p>Dr KWOK Ka-ki's views that –</p> <p>(a) as the LIFA scheme would not benefit singleton working people, the Administration should consider offering them other financial assistance;</p> <p>(b) the Administration should consider lifting the age limit of service beneficiaries of the Neighbourhood Support Child Care Project ("NSCCP") beyond nine years old so that more families could benefit; and</p>	

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		<p>(c) targeted measures should be implemented to assist needy children with learning difficulties and their families. After-school support for these children should be strengthened.</p> <p>The Administration's response that –</p> <p>(a) WITS helped alleviate the financial burden of needy working singletons;</p> <p>(b) after-school care services, instead of NSCC service, would be more suitable for older children as the carers under the NSCCP might not be able to provide them with learning support. After-school care services were provided for children aged six to 12 by NGOs. The service hours of some after-school care centres would be extended to enhance the services; and</p> <p>(c) funding support for District Support Centres for Persons with Disabilities would be increased to strengthen the manpower and introduce a case management service approach to provide service users with better support.</p>	
012714 - 013235	Chairman Mr LEUNG Kwok-hung Administration	<p>Mr LEUNG Kwok-hung's views that –</p> <p>(a) the existing poverty line did not reflect the actual poverty situation. To address the poverty problems, the Administration should set afresh the poverty line, taking into account the Gini Coefficient of Hong Kong; and</p> <p>(b) the SMW rate should be increased to reduce low-income working people's reliance on the Administration's financial assistance.</p> <p>The Administration's response that the poverty line was set with reference to the local poverty situation as well as international and local practices in measuring poverty including those adopted by the Organisation for Economic Co-operation and Development, Oxfam and the Hong Kong Council of Social Service. Gini Coefficient was a different concept.</p>	
013236 - 013347	Chairman Mr LEUNG Che-cheung Administration	The Administration's response to Mr LEUNG Che-cheung's enquiry that families resided in Hong Kong with family members took up employment in the Mainland would be eligible for LIFA if they satisfied the eligibility criteria.	

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		Proof of employment from employers would be required.	
013348 - 013707	Chairman Dr KWOK Ka-ki Administration	<p>Dr KWOK Ka-ki's view that the Child Development Fund ("CDF") could not address the imminent needs of children with learning difficulties from low-income families. To help them escape poverty and facilitate their upward mobility, the Administration should provide them with the necessary services and assistance.</p> <p>The Administration's response that CDF sought to help underprivileged children to develop a saving habit and formulate personal development plans. Other support services were available for children with learning difficulties.</p>	
013708 - 014220	Chairman Administration	<p>The Chairman's views that –</p> <ul style="list-style-type: none"> (a) the Administration had discriminated against elderly persons, persons with disabilities and persons with chronic illness by excluding them from the LIFA scheme. They should be eligible for LIFA if they satisfied the means test requirement; (b) the Administration should consider centralizing means test assessments for all its financial assistance programmes under one service unit; and (c) WITS should be incorporated into the LIFA scheme so that applicants not eligible for LIFA would be automatically considered for WITS. <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) it had not discriminated against elderly persons, persons with disabilities and persons with chronic illness. It had been offering assistance for the needy elderly people through social security measures such as OALA. CoP had commissioned a consultancy study on retirement protection which would make recommendations on the way forward. CCF would consider launching further assistance programmes for persons with disabilities, if necessary; (b) a consultancy study would be conducted on the feasibility of providing one-stop service for the Administration's financial assistance programmes; and 	

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		(c) the impact of LIFA on WITS would be considered in the upcoming comprehensive review of WITS due to commence in October 2014.	

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30 May 2014