

Legislative Council Subcommittee on Poverty

Support for Low-income Working Households which are not on Comprehensive Social Security Assistance

Purpose

This paper briefs Members on the support currently provided by the Government for low-income working households which are not on Comprehensive Social Security Assistance (CSSA).

Existing support for low-income working households

2. At present, the CSSA Scheme provides a safety net for the poor, the unemployed and low-income working households. For those low-income working households not on CSSA, the Government puts in place various subsidies and fee waiving schemes in a number of areas, including education, healthcare, housing, transport and other social welfare. Please see details at **Annex 1**.

3. In addition, the Community Care Fund (CCF) has launched various assistance programmes, the majority of which give support to non-CSSA low-income working households. Please see details at **Annex 2**.

4. The Government also provides a number of subsidies and services, such as the Pre-Primary Education Voucher Scheme, 12-year free education and public in-patient or out-patient services. Relief measures, such as paying rent for public housing tenants and granting electricity charge subsidy, were also included in the past Budgets. These services and measures are not covered in the above two Annexes, but most of the low-income working households can benefit from them. Besides, the Statutory Minimum Wage (SMW), which came into force in May 2011, provides wage protection for the low-income working population. With effect from 1 May 2013, the SMW rate has been increased from \$28 per hour to \$30 per hour.

Latest Development

5. Recently, the Government has implemented various measures/programmes to support people with financial need. These are summarised below –

- (a) the Government has provided the Housing Authority with adequate land to develop about 79 000 public rental housing (PRH) units over the five years from 2012/13 to 2016/17. As a production target, the total supply of PRH will be at least 100 000 units over the five years starting from 2018;
- (b) in the 2013-14 Budget, the Financial Secretary announced a series of relief measures, among which the public housing rental waiver and electricity charges subsidy will benefit low-income families;
- (c) the Government has injected an additional \$15 billion into the CCF to enhance the CCF's capacity to plug the gaps in the existing system, launch more assistance programmes and pilot schemes, and continue the implementation of programmes which are proved to be effective but have yet to be incorporated into the Government's regular assistance programme for the time being; and
- (d) in June this year, the Finance Committee of the Legislative Council approved a provision of \$200 million for the Short-term Food Assistance Service to provide enhanced assistance for low-income and needy people having temporary difficulty in coping with basic food expenditure.

6. At the meeting on 2 May 2013, the Commission on Poverty (CoP) discussed the support for low-income working households which are not on CSSA. The discussion mainly focused on the proposal of providing "low-income subsidy" for these households. A number of Members opined that the Administration could explore the possibility of suitably incorporating elements of low-income subsidy into the existing Work Incentive Transport Subsidy Scheme. Some Members considered that the level of subsidy should be set according to the composition and/or income level of the applicant's household. The low income subsidy proposal involves important policy and resource considerations and must be handled with care. Besides, the proposal itself is not without controversy. For instance, whether the provision of regular subsidies

will reduce recipients' motivation for seeking higher-paid jobs will be an issue for consideration. The proposal warrants more discussions in the community, and CoP will continue to explore the subject.

7. After the Government Economist has completed the analysis on the social, economic and housing characteristics of population below the poverty line, we will have a better understanding of the characteristics of low-income working households, such as household size, the proportion of singleton elders or elderly couples in low-income households, the number of households with school-age children, etc. These data will help us identify those low-income working households which may need further support from the Government. This will enable the Government to introduce targeted measures to prevent and alleviate poverty.

Advice Sought

8. Members are invited to note the content of this paper.

Labour and Welfare Bureau
July 2013

Government Support for Low-income Households which are not on CSSA**(A) Education**

Programme Title	Objectives
Tertiary Student Finance Scheme-Publicly-funded Programmes	To provide grant and/or loan for needy students enrolled in full-time publicly-funded post-secondary programmes. The grant is to cover tuition fees, academic expenses and compulsory union fees. The loan is for living expenses.
Financial Assistance Scheme for Post-secondary Students	To provide grant and/or loan for needy students enrolled in full-time locally-accredited self-financing post-secondary programmes. The grant is to cover tuition fees and academic expenses. The loan is for living expenses.
Kindergarten and Child Care Centre Fee Remission Scheme	To provide parents-in-need with financial assistance in the form of fee remission in addition to the Pre-primary Education Voucher Scheme for their children to receive pre-primary education/services.
School Textbook Assistance Scheme	To provide assistance to needy Primary and Secondary students for purchasing essential textbooks and covering school-related expenses.
Student Travel Subsidy Scheme	To provide travel subsidy to needy students attending full-time programmes at primary and secondary to first degree levels for travelling to and from school.
Subsidy Scheme for Internet Access Charge	To provide subsidy to needy families whose children are receiving education at primary or secondary level to meet the Internet access charges for the children's e-learning at home.
Examination Fee Remission Scheme	To provide assistance to needy students attending public examinations.
Tuition Fee Reimbursement for Yi Jin Diploma Students	To provide tuition fee reimbursement for eligible Secondary 6 school leavers and adult learners to obtain a formal qualification for employment and further study through an alternative pathway.
Financial Assistance Scheme for Designated Evening Adult Education Courses	To provide tuition fee reimbursement for eligible adult learners to attend designated evening secondary courses.

Programme Title	Objectives
School-based After-school Learning and Support Programmes	To provide more opportunities to the disadvantaged students in joining after-school activities with a view to (i) improving their learning effectiveness; (ii) broadening their learning experiences outside the classroom; and (iii) raising their understanding of the community and sense of belonging. The Programme is complementary in nature. Schools may deploy other resources to provide appropriate support for the disadvantaged students having regard to their needs. The grant should not be used for providing material assistance to students.
Hong Kong Jockey Club Life-wide Learning Fund	The Fund, set up with the donation from the Hong Kong Jockey Club Charities Trust, aims to support needy primary and secondary students in participating in life-wide learning programmes organised or recognised by schools for whole person development.
After-school Learning Support Partnership Pilot Scheme	To provide after-school homework guidance for economically disadvantaged primary school students with academic needs. The Scheme is to complement formal curriculum and other after-school activities (such as activities under the School-based After-school Learning and Support Programmes). It benefits not only the economically disadvantaged students receiving after-school homework guidance but also the tutors themselves.

(B) Healthcare

Programme Title	Objectives
Samaritan Fund	To provide assistance for needy patients to meet expenses for designated Privately Purchased Medical Items (including drugs) or new technologies required in the course of medical treatment which are not covered by the hospital maintenance fees and consultation fees in public hospitals and clinics.
Medical fee waiver	To provide medical fee waiver for patients with financial needs.

(C) Housing

Programme Title	Objectives
Public rental housing	To allocate new or refurbished public rental flats to eligible applicants.
Rent Assistance Scheme	To provide relief in the form of rent reductions for rental housing and interim housing tenants who are facing temporary financial hardship.

(D) Transport

Programme Title	Objectives
Work Incentive Transport Subsidy Scheme	To reduce low-income earners' cost of travelling to and from work and encourage them to secure a job and stay in employment.

(E) Other social welfare

Programme Title	Objectives
Child Development Fund (CDF)	To effectively utilise and consolidate the resources from families, the private sector, the community and the Government in support of the longer-term development of disadvantaged children, thereby reducing inter-generational poverty. The CDF encourages children participating in the Scheme to develop an asset-building habit by formulating and implementing personal development plans, and to accumulate financial and non-financial assets (such as positive attitude and proper mindset, personal resilience and abilities, social networks, etc.).
District Support Scheme for Children and Youth Development: Cash Assistance	To address the developmental needs which cannot be covered by mainstream education system, other funds and financial assistance, of children and youth in disadvantaged circumstances in the districts. The cash assistance is categorised to meet the following needs: learning and education needs; job skills training and employment needs; and social exposure and potential development needs.
Fee Waiving Subsidy Scheme under After School Care Programme	To help parents take care of their children aged 6 to 12, so that they can stay in employment or attend employment retraining/job attachment with a view to enhancing self-reliance.
Neighbourhood Support Child Care Project	To provide more flexible child care services and at the same time promote community participation and mutual assistance in the neighbourhood. The service targets are young children under the age of six. Fee waiving arrangement under the Project aims to enable needy low-income families to receive necessary services.
Subsidy Scheme for Extended Hours Service	To provide longer hours of child care assistance for Non-CSSA families with financial difficulties to meet the social needs of these families and working parents.
Subsidy Scheme for Mutual Help Child Care Service	To provide service for Non-CSSA families with social needs and financial difficulties, and to enhance the support for families with child care service needs during evenings, weekends and holidays.

Programme Title	Objectives
Short-term Food Assistance Service Projects	To provide short-term food assistance for people who have difficulties in coping with their daily food expenditure.
Social Security Allowance Scheme	To provide a monthly allowance to Hong Kong residents who are severely disabled or who are 65 years of age or above to meet the special needs arising from disability or old age.

Community Care Fund: Assistance Programmes that Provide Support to Non-CSSA Low-income Families

Names and objectives of assistance programmes	Disbursement amount
(1) Setting up the School-based Fund (Cross-boundary Learning Activities) to subsidise primary and secondary school students from low-income families to participate in cross-boundary learning activities/competitions. (A three-year programme launched in June 2011)	A subsidy of not more than \$3,000 for each benefited student to participate in cross-boundary learning activities and competitions respectively.
(2) Subsidy for patients of the Hospital Authority (HA) for specified self-financed cancer drugs which have not yet been brought into the Samaritan Fund (SF) safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy. (A programme with funding provision for three years launched in August 2011)	To subsidise the drug costs borne by benefited patients for the relevant drug treatments.
(3) Subsidy to meet lunch expenses at whole-day primary schools for students from low-income families. (A three-school year programme launched in September 2011)	The subsidy level is determined by the actual fee charged by lunch suppliers and the subsidy is directly paid to lunch suppliers through the schools.
(4) Financial assistance for ethnic minorities and new arrivals from the Mainland for taking language-related international public examinations. (A two-year programme launched in September 2011)	Reimbursement of relevant examination fees to the beneficiaries on an accountable basis.
(5) Subsidy for the severely disabled persons aged below 60 from families with financial difficulties who are non-CSSA recipients, requiring constant attendance and living in the community. (A programme launched in September 2011 and the application period for the programme has been extended till the end of February 2013)	A monthly subsidy of \$2,000.

Names and objectives of assistance programmes	Disbursement amount
(6) Subsidy for elders aged 65 or above from low-income families who are on the waiting list of Integrated Home Care Services (IHCS) (Ordinary Cases) for Household Cleaning and Escorting Services for Medical Consultations. (A programme launched in October 2011 and the application period for the programme has been extended till the end of March 2013)	A monthly subsidy of not more than \$560.
(7) Training subsidy for children with special needs from low-income families who are on the waiting list for subvented pre-school rehabilitation services. (A programme launched in December 2011 and the application period for the programme has been extended till the end of February 2013)	A monthly subsidy of not more than \$2,615.
(8) Relocation allowance for eligible residents of sub-divided units in industrial buildings who would have to move out as a result of the Buildings Department (BD)'s enforcement action. (A programme launched in December 2011)	An allowance of \$2,100 for one-person household; \$4,600 for two-to-three-person household; and \$6,100 for four-or-more-person household.
(9) Subsidy for needy HA patients who marginally fall outside the SF safety net for the use of SF subsidised drugs. (A programme launched in January 2012 and was incorporated into the SF's regular mechanism with effect from 1 September 2012)	To subsidise the drug costs borne by benefited patients for the relevant drug treatments.
(10) Subsidy for non-school-attending ethnic minorities and new arrivals from the Mainland to enroll in language courses. (A programme launched in March 2012)	A subsidy of \$350 to \$700 is provided for attending language courses organised by the Employees Retraining Board.
(11) Subsidy for low-income elderly tenants in private housing.(A one-off subsidy programme launched in July 2012 and the application period was closed on 31 January 2013)	A subsidy of \$4,000 for one-person elderly household; \$8,000 for two-person elderly household; and \$12,000 for three-or-more-person elderly household.
(12) After-school care pilot scheme. (A two-school year programme launched in August 2012)	The subsidy cap for each project is \$500,000.

Names and objectives of assistance programmes	Disbursement amount
(13) Elderly dental assistance programme.(Launched in September 2012 and expected to be a two-year programme)	The maximum subsidy for dental treatment for each beneficiary is \$9,095 (including \$8,000 for dentures, \$1,040 for denture-related dental care services, and \$55 for registration and dental checkup). There is also a subsidy of \$50 for referral fees, and an accompanying service fee at \$70 per hour (if applicable).
(14) Subsidy for owners' corporations of old buildings. (A three-year programme launched in October 2012)	Eligible owners' corporations can be granted a subsidy with the total amount capped at \$20,000 for relevant expenditure items on an accountable basis.
(15) Subsidy for low-income persons who are inadequately housed. (A one-off subsidy programme launched in October 2012 and the application period was closed on 8 April 2013)	A subsidy of \$3,000 for one-person household; \$6,000 for two-person household; and \$8,000 for three-or-more-person household.
(16) Provision of special subsidy to persons with severe physical disabilities for renting respiratory support medical equipment. (Launched in late January 2013 and the application period will end on 30 June 2013)	For beneficiaries with annual household disposable financial resources of \$100,000 or below, a monthly subsidy of \$2,500 will be granted. For beneficiaries with annual household disposable financial resources over \$100,000 but not exceeding \$180,000, a monthly subsidy of \$2,000 will be granted.
(17) Extra travel subsidy for needy special school students. (A two-school year programme to be launched in October 2013)	An extra 50% travel subsidy for eligible students on top of the Student Travel Subsidy (STS) disbursed by the Student Financial Assistance Agency (SFAA).