

**立法會**  
***Legislative Council***

LC Paper No. CB(2)1484/12-13(02)

Ref : CB2/HS/1/12

**Subcommittee on Poverty**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 8 July 2013**

**Support for low-income working households which are not on  
Comprehensive Social Security Assistance**

**Purpose**

1. This paper summarizes discussions by the Legislative Council ("LegCo") and its relevant committees on the Government's support for low-income working households which are not on the Comprehensive Social Security Assistance ("CSSA").

**Background**

2. According to the Administration, the Government attaches great importance to the needs of the low-income earners. For those non-CSSA low-income earners, the Government provides plenty of free or highly subsidized services in various policy areas, such as the provision of public rental housing and rental allowance, heavily subsidized public healthcare services, and 12-year free education starting from the 2008-2009 school year, etc, with a view to assisting them to meet the basic needs in their daily lives. In addition, the Government has also rolled out supportive measures to assist low-income earners to enter into the labour market, including programmes offered by the Labour Department ("LD") as well as support measures ranging from training and retraining, diversified child care and after-school care services to meet the demands of working parents, to short-term measures to help low-income working households to tide over economic adversities.

3. Following the re-establishment of the Commission on Poverty ("CoP") in November 2012, six task forces have been formed under CoP to

work on different fronts to review the effectiveness of existing poverty alleviation policies and formulate new policies to prevent and alleviate poverty and social exclusion.

## **Members' major deliberations and concerns**

### Measures to assist low-income earners to remain in employment

4. Members had stressed the need to assist low-income earners to remain in employment. They were concerned that low-income workers would tend to quit their jobs as the expenses on travelling to work had taken up most of their earnings. The Administration was urged to provide more incentives to keep them staying in employment, and review the minimum wage more proactively to ensure that it would be in line with inflation, so that workers could receive reasonable compensation for their work.

5. The Administration advised that as part of its poverty alleviation measures, employment had been the key to self-reliance, and therefore it had provided the grass-roots workforce with effective employment support. The implementation of statutory minimum wage and the launch of the Work Incentive Transport Subsidy ("WITS") would help meet the needs of employees from low-income households and encourage them to stay in employment.

6. The Administration stressed that since the launch of the WITS Scheme in October 2011, it had kept in view how to enhance the implementation of the Scheme to help employed persons from low-income households. Members were advised that another round of enhancement had been rolled out to substantially relax the WITS Scheme by providing for the option of individual applications as an alternative to household applications. In addition, with effect from the claim month of March 2012, the income limits of the WITS Scheme had been updated with reference to the median monthly household income in the fourth quarter of 2011, and the asset limits had been raised to three times the corresponding limits under the CSSA Scheme. For example, for a single-person household, the income limit had been increased to \$7,700 per month. The asset limit had also been substantially increased from \$44,000 to \$75,000.

7. In response to members' request for setting different levels of subsidy based on the distance between the location of work and residence, the Administration advised that the existing full-rate subsidy at \$600 per month should provide sufficient support to most eligible applicants. It would

closely monitor the situation and take account of members' views in its comprehensive review of the WITS Scheme to be conducted in 2014. The Administration would also work closely with CoP in formulating strategies to address the problem of working poor.

#### Tax relief

8. A motion was passed at the Council meeting on 14 November 2012 urging the Government to, among other things, conduct studies on implementing negative income tax in order to provide subsidies for low-income people. The Administration advised that it aimed to help underprivileged people capable of working by offering them opportunities to become self-reliant and improve their livelihood. Public resources should be devoted to those who could not provide for themselves. It stressed that a welfare policy underpinned by heavy taxation would not be a viable option, taking into account the economic structure and mode of social development in Hong Kong.

#### District-based poverty alleviation measures

9. In response to members' concerns about the employment needs of low-income households in poverty stricken districts such as Tin Shui Wai, Kwai Tsing, and Tung Chung, the Administration advised that LD adopted an integrated approach for the delivery of training and employment assistance. It had set up a pioneer Employment in One-stop service centre in Tin Shui Wai in December 2011. The service centre aimed to streamline, integrate and enhance the existing employment and training/retraining services provided by LD, the Social Welfare Department and the Employees Retraining Board ("ERB").

10. According to the Administration, apart from providing ordinary employment support services, the service centre provided job-seekers who required more intensive employment support with highly customized employment assistance, such as in-depth psychological counselling by social workers and case management services. The ERB part of the Employment in One-stop service centre also offered a wide range of services, including personalized training consultancy service and enrolment service for ERB courses offered in the vicinity. In 2013-2014, LD would set up a job centre in Tung Chung, which could strengthen employment services for job-seekers living in remote areas, reduce substantially the time required by them for receiving employment services and save their travelling expenses.

11. Members called on the Administration to ensure that the targeted measures met the specific needs of various disadvantaged groups in different districts, the District Officers concerned would take a more proactive role in identifying the district needs and collaborating cross-sectoral efforts, including district councils, district organizations and government departments to carry out specific initiatives to promote local economy and create job opportunities for local residents, as well as monitor the progress and effectiveness of these initiatives in assisting the disadvantaged.

#### Low-income working family subsidy and other short-term relief measures

12. In discussing the Government's measures to combat poverty after the re-establishment of CoP in November 2012, members took the view that while CoP had been expending efforts in setting a poverty line, the Administration should undertake, once the poverty line was set, to set specific poverty alleviation targets and ensure that poor people could earn a basic income. Members also shared the views of deputations, who made submissions to the Subcommittee on Poverty, that the Administration should roll out intermediate measures to address the imminent hardship of the working poor, most notably the introduction of a low-income working family subsidy to ease these families' burden in raising children and alleviate inter-generational poverty.

13. The Administration advised that as stated by the Chief Executive in his 2013 Policy Address, there had been views that WITS could be turned into a subsidy for low income families. The Administration pointed out that such a suggestion involved major policy considerations and might have far-reaching implications on the social security system and public finance. The Social Security and Retirement Protection Task Force under CoP would study carefully the views of various sectors of the community.

14. According to the Administration, CCF successfully implemented in 2012 two programmes that targeted non-CSSA low-income tenants in leased private housing, i.e. the "Subsidy for low-income persons who are inadequately housed" and the "Subsidy for low-income elderly tenants in private housing" programmes. Considering that the "n have-nots" (i.e. those who did not own any properties, live in public housing or receive CSSA) could directly benefit from these programmes, CCF planned to re-launch the former programme, which would also cover the elderly beneficiaries under the latter programme as target beneficiaries. The number of beneficiaries was expected to increase substantially to more than 70 000 households (close to 200 000 persons).

15. The Administration advised that, apart from these programmes, the CCF Task Force under CoP would take into account the views of the public and stakeholders and continue to launch more programmes in collaboration with other task forces under CoP. Among others, the CCF Task Force might consider exploring how to enhance support to students from low-income families to participate in extra-curricular activities and after-school support programmes.

### **Latest development**

16. The Administration will brief the Subcommittee on Poverty at its meeting on 8 July 2013 regarding the support for low-income working households which are not on CSSA. Public views on the subject will also be received at the meeting.

### **Relevant papers**

17. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
4 July 2013

## Appendix

### Relevant papers on support for low-income working households which are not on Comprehensive Social Security Assistance

Committee	Date of meeting	Paper
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	6 February 2009 to 31 May 2010	<a href="#">Report of the Subcommittee to the House Committee</a>
Legislative Council	8 July 2009	<a href="#">Official Record of proceedings</a>
Panel on Manpower	17 February 2011 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	11 July 2011 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Legislative Council	14 November 2012	<a href="#">Official Record of Proceedings Progress Report</a>
Panel on Manpower	3 December 2012 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Subcommittee on Poverty	11 December 2012 (Item III)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	21 January 2013 (Item I)	<a href="#">Agenda</a>
Panel on Manpower	25 January 2013 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	19 February 2013 (Item V)	<a href="#">Agenda</a>
House Committee	22 March 2013 (Item I)	<a href="#">Agenda</a> <a href="#">Verbatim Record of Proceedings</a>

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Welfare Services	26 March 2013 (Item I)	<a href="#">Agenda</a>
Subcommittee on Poverty	24 May 2013 (Item II)	<a href="#">Agenda</a>

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