

For information
20 October 2015

Legislative Council Subcommittee on Poverty

The Commission on Poverty Summit 2015 and Work Progress of the Commission on Poverty and its Task Forces

Purpose

This paper gives a brief report on the Commission on Poverty Summit 2015 and the work progress of Commission on Poverty (CoP) and its Task Forces.

Commission on Poverty Summit 2015

2. The Commission on Poverty Summit 2015, chaired by the Chief Executive, was held on 10 October 2015. Besides announcing the poverty situation in 2014 by the Chief Secretary for Administration and Chairman of the CoP, another theme of this year's Summit is "promoting youth upward mobility". More than 500 guests attended the Summit. Apart from members of the CoP and its four Task Forces, representatives from the political, business and academic sectors, think tanks, non-governmental organisations, concern groups and youth representatives were also present at the Summit. Relevant directors of bureaux, under secretaries and heads of governments departments also took part.

Poverty Situation in 2014

3. Since the official poverty line was introduced in 2013, the CoP has updated relevant data analysis on an annual basis so as to monitor the poverty situation, assess the effectiveness of poverty alleviation policies and guide future policy formulation. In the past two years, the poverty line has been increasingly accepted by the community as an objective and common basis for discussion on poverty issues in Hong Kong. The data analysis of poverty line also inspired other related academic and policy studies to facilitate the community to examine the poverty issues from different perspectives.

4. The latest poverty situation analysis indicated that against the backdrop of moderate economic growth, household income had improved, thus uplifting the poverty line thresholds in 2014. Compared with 2013, the number of poor households remained stable prior to policy intervention. The number of the poor population and the poverty rate stood at 1 324 800 and 19.6 per cent respectively. After recurrent cash policy intervention (such as the Comprehensive Social Security Assistance (CSSA), the Old Age Living Allowance (OALA), Old Age Allowance (OAA), financial assistance for students, the Work Incentive Transport Subsidy, etc.), the size of poor population reduced to 960 000 while the poverty rate fell to 14.3 per cent in 2014. Both indicators fell to their lowest in the past six years. Our observations from the detailed analysis of the poverty situation are as follows:

- (1) The Government's policy intervention in 2014 has been successful in lifting 172 600 households (362 700 people) out of poverty, substantially reducing the poverty rate by 5.3 percentage points. This is the second consecutive year that the population in poverty has stood below one million, demonstrating that the various poverty alleviation initiatives introduced by the current-term Government have continued to yield results.
- (2) The analysis of various recurrent cash measures showed that the means-tested CSSA and OALA had a more visible impact on poverty alleviation (poverty rates down by 3.0 percentage points and 1.6 percentage point respectively) compared to the other two non-means-tested schemes, the Disability Allowance and the OAA (poverty rates down by 0.3 percentage point and 0.2 percentage point respectively). This showed that more targeted initiatives are more effective in poverty alleviation.
- (3) The provision of public rental housing (PRH) has a notable effect on poverty alleviation. Taking into account the non-cash transfer value of PRH, the poverty rate saw a further reduction of 4.7 percentage points, from 14.3 per cent to 9.6 per cent, reducing the poor population to 648 200. As a standalone poverty alleviation measure, PRH is even more effective than CSSA (reducing the overall poverty rate by 3.7 percentage points). PRH which involves substantial resources is an important poverty alleviation measure. It provides practical support for the livelihood of the grassroots. The CoP will explore how to include the effectiveness of PRH in the main analysis of the poverty line to provide a more comprehensive

analysis on the poverty situation. The Census and Statistics Department is conducting the 2014/15 Household Expenditure Survey, the results of which should be helpful in understanding further the expenditure pattern of poor households, including the housing expenditure, for improving the analysis of the poverty line.

- (4) Before policy intervention in 2014, there had been a notable decrease in the number of working households, unemployed households and CSSA households when compared with 2013. In addition, the total number of CSSA cases at the end of August this year stood at 248 247, representing a continuous decrease for 53 consecutive months. The figures reflected that employment is the best route out of poverty. Under steady economic development, many people are willing to rejoin or enter the workforce, showing that self-reliance is still the core value of Hong Kong.
- (5) There was a slight improvement in the poverty situation of the non-CSSA working households in 2014. Before policy intervention, the number of non-CSSA working households living in poverty stood at 136 200, down by 3.2 per cent compared with a year earlier. However, the situation still warrants concern. The Low-income Working Family Allowance Scheme (LIFA), to be launched in the second quarter of 2016, will target at supporting such households. It is expected that the scheme can benefit 200 000 households involving some 700 000 people (including 170 000 children and youngsters) which would further bring down the poverty rate by 2 percentage points. This initiative involves additional government expenditure of \$3 billion every year.
- (6) The continuous ageing trend in Hong Kong's population will pose great challenges to the work of poverty alleviation. The overall elderly population in 2014 increased by 44 000 compared with 2013. As most of the elders do not have income from work, they are likely to be classified as poor under the definition of the poverty line which only takes into account income. The poverty situation among elders will thus be over-stated. Hence, there is a need to conduct a more in-depth analysis to identify those in need.

Promoting youth upward mobility

5. Besides announcing the analysis of poverty situation of Hong Kong in 2014, the theme of the Summit was “promoting youth upward mobility”. An overseas expert, Mr David Johnston from the United Kingdom (UK), was invited to speak and share the relevant experience overseas. Mr Johnston is the Chief Executive of the Social Mobility Foundation, a UK charity promoting social mobility for young people from low-income backgrounds. He is also a commissioner of the Social Mobility and Child Poverty (SMCP) Commission, a statutory body appointed by the UK Government to monitor the progress of government work in improving social mobility and reducing child poverty. In his presentation and at the subsequent panel discussion, Mr Johnston shared with other speakers and participants the social mobility situation in the UK, the UK Government’s policy initiatives and the strategies recommended by the SMCP Commission on promoting social mobility, as well as the experience of his organisation in helping young people from low-income backgrounds moving upwards.

6. In addition, the kick-off ceremony for the “Life Buddies” Mentorship Programme organised by the Youth Education, Employment and Training Task Force under the CoP was conducted during the Summit. With a focus to promote career aspiration and training, the programme aims to enhance young people’s upward mobility through guidance and encouragement of mentors in their planning for future. To encourage more interested people to be mentors, the Commission produced a TV Announcement in the Public Interest which was premiered at the Summit. The Programme’s Facebook page and the webpage of the “Life Buddies Mentorship Corner” (www.lifebuddies.hk) were also launched at the Summit.

7. There was an open discussion session at the Summit, in which the Chief Executive, Chief Secretary for Administration, relevant directors of bureaux, under secretaries and the Chairmen of CoP Task Forces listened to participants’ views on poverty alleviation strategy and priorities. The participants enthusiastically expressed their views on how to tackle poverty problems in Hong Kong and on the work of the Commission.

8. Publications distributed at the Summit included the “Hong Kong Poverty Situation Report 2014”, the presentation slides on the analysis of the poverty situation in 2014, the “Commission on Poverty Progress Report 2015”, the "Future Stars" Programme Booklet, the Social

Innovation and Entrepreneurship Development Fund Task Force Booklet and the Community Care Fund Booklet. These publications have been uploaded to the CoP's dedicated website (www.povertyrelief.gov.hk).

Work Progress of the Commission on Poverty and its Task Forces

9. Since its reinstatement in December 2012, the CoP has become the major policy platform for deliberation of poverty alleviation strategies of the current-term Government. In the past three years, with the support and collaboration from the CoP, the Government had launched a number of major initiatives on poverty alleviation, including the unprecedented move of setting the first-ever official poverty line, implementation of Old Age Living Allowance which benefited over 420 000 elderly, injection of \$15 billion into the Community Care Fund, announcement of poverty alleviation blueprint which covered a wide range of initiatives benefiting different target beneficiaries, etc.. All these were major milestones of the Government's work on poverty alleviation. The reports of the reinstated CoP and its Task Forces for the first two years were submitted to the Subcommittee on Poverty of the Legislative Council in October 2013 and 2014 respectively. Its work in the third year is elaborated in the ensuing paragraphs.

Commission on Poverty

10. The second term of the CoP commenced in December 2014. Besides continuing to monitor the poverty situation and its changes through updating the poverty line, the CoP closely monitored the progress of the implementation of LIFA. With the funding approval granted by the Legislative Council in January 2015, LIFA is expected to be introduced in the second quarter in 2016.

11. In the Policy Address delivered in January this year, the Chief Executive had indicated that the CoP will launch the public consultation on retirement protection in the latter half of 2015. The Chief Executive also set aside \$50 billion to demonstrate the Government's determination and commitment in improving the retirement protection for the people in need. To follow up the recommendations in the Policy Address, the CoP has been making preparations in full swing in the past year for the public consultation exercise to be launched in December 2015. Apart from making reference to the Research Report on Future Development of Retirement Protection in Hong Kong by the research team led by Professor Nelson Chow, the CoP had reviewed the multi-pillar system in

Hong Kong and considered how to provide better old age protection for the needy elderly.

Special Needs Groups Task Force

12. The Special Needs Groups Task Force (SNGTF) focuses its study on various target groups with special needs in the community and makes recommendations on appropriate support measures. In the past year, the SNGTF followed up the “Hong Kong Poverty Situation Report on Disabilities in 2013” released in December 2014 and made a number of recommendations on enhancing the employment of persons with disabilities (PWDs). The recommendations include the provision of one-stop service to assist PWDs in securing open employment, refining the CSSA arrangements for providing incentives to PWDs to take up open employment and providing support for carers for PWDs etc.

13. In enhancing upward mobility of ethnic minorities, the SNGTF has been following up with the Education Bureau on the progress and effectiveness in implementing the “Chinese Language Curriculum Second Language Learning Framework” and Applied Learning Chinese Course in primary and secondary schools. To further understand the needs of the ethnic minorities, the Census and Statistics Department was commissioned to conduct a survey on households with school children of South Asian ethnicities. The preliminary results will be available for discussions by the SNGTF shortly.

14. The SNGTF also cares about the well-being of students with special education needs. Items being explored in the past year included improving the “early identification” and “early support” mechanisms, strengthening support for students with special education needs who are studying in ordinary schools; and increasing support for parents.

Youth Education, Employment and Training Task Force

15. Enhancing youth mobility is one of the major policy foci of the current-term Government. The Youth Education, Employment and Training Task Force (YEETTF) is committed to exploring ways to provide equal opportunities to under-privileged youths through education, employment and training, with an aim to enhancing their upward mobility and reducing the risk of inter-generational poverty.

16. On policy reviews, apart from following up on the Report of the Committee on Free Kindergarten Education, the YEETTF also

deliberated on the report of the Task Force on Promotion of Vocational Education and agreed to its recommendations on further exploring how to strengthen the development of and promotional efforts for vocational education so as to provide multiple pathways to youths with diverse interests. In addition, with reference to experiences in Singapore and other places, the YEETTF recommended with specific suggestions on how to enhance various schemes on skills training in Hong Kong, in particular the Pilot Training & Support Scheme which integrates the vocational education elements and real-life trainings in workplaces.

17. On research studies, the Economic Analysis and Business Facilitation Unit was commissioned to study the earnings mobility of post-secondary graduates from underprivileged backgrounds in different generations for the purpose of understanding their social mobility. The YEETTF had deliberated on the preliminary results and would follow up the study so as to consider the way forward.

18. On large-scale cross-sectoral campaigns, the YEETTF continued to implement the “Future Stars” Programme in the past year. The programme consists of three elements, namely providing workplace skills training and internships; encouraging youths to plan for their future through corporate visits; and awarding scholarships to senior secondary school students who demonstrated resilience in adversity. In 2015, more than 300 organisations and 8 000 young people participated in the programme. Amongst the participating youths, 1 145 students are recipients of the Upward Mobility Scholarship. In addition, the YEETTF organised a territory-wide career-based mentorship programme called “Life Buddies”. It aims to enhance public awareness and participation in mentorship programmes, as well as to promote the development of such programmes. The kick-off ceremony was conducted at the CoP Summit this year. Various projects promoting mentorship in the community will be rolled out progressively.

Community Care Fund Task Force

19. Since its establishment in 2011, the Community Care Fund (CCF) has launched 30 assistance programmes, 12 of which were approved by the reinstated CoP. The total commitments exceed \$6.1 billion. Up to end-August 2015, more than 1 130 000 people benefitted from these programmes. In the past year, the CCF rolled out five new programmes to cover low-income students and students with special education needs; and expanded the “Elderly dental assistance programme” to cover elderly who are OALA recipients, with those aged 80 or above in the first phase.

20. Up to now, 11 assistance programmes proved to be effective in poverty alleviation were regularized. These regularised programmes involve Government's recurrent expenditure of some \$720 million. Subject to the Government's resources, other programmes proved to be effective in poverty alleviation or meeting the needs of the target beneficiaries will be considered for regularisation.

21. To plug gaps in the existing system, the CCF Task Force will continue to work with other Task Forces in ensuring effective use of its resources and drawing up more assistance programmes to support the underprivileged and low-income families. The CCF will launch the assistance programme of providing one-off living subsidy for low-income households not living in public housing and not receiving CSSA (known colloquially as the "n have-nots") the third time.

Social Innovation and Entrepreneurship Development Fund Task Force

22. In the past year, the Social Innovation and Entrepreneurship Development Fund (SIE Fund), as a catalyst for social innovation in Hong Kong, facilitated collaborations among different sectors including businesses, non-governmental organisations, academics and philanthropies and the community to create social impact through innovative solutions that address poverty and social exclusion problems.

23. The SIE Fund, mainly through intermediaries, provides visionary individuals and organisations with diverse resources in support of research, capacity building and the entire life cycle of innovative programmes, from idea incubation and seed funding to implementation and eventual scale-up. In connection with this, the Social Innovation and Entrepreneurship Development Fund Task Force (SIEDFTF) engaged four intermediaries in the second quarter of 2015, namely the Hong Kong Council of Social Service, PolyU Technology and Consultancy Company Limited, SOW (Asia) Foundation Limited, and the Yeh Family Philanthropy Limited. Relevant programmes have been rolled out by the intermediaries in phases. As at September 2015, the Capacity Building Projects had attracted nearly 600 participants and Innovative Programmes amounting to nearly \$3.3 million were approved. Moreover, the SIEDFTF continued to take forward another flagship project i.e. setting up an information sharing platform for local food assistance services in the past year. Invitation for proposals to be intermediary of the project started in May 2015 and the project will be

implemented in early 2016.

24. In order to further raise public awareness and support to social innovation, the SIEDFTF jointly organised the Social Innovative Video Competition with the Government's Youth portal (Youth.gov.hk). A total of 70 entries from over 50 secondary schools was received. Subsequently, the SIEDFTF organised a roving exhibition "Social Innovation Jam" from April to June 2015. The exhibition presented the concerns and innovative ideas of secondary school students on social issues, as well as the concept of social innovation and overseas examples to the general public. Nearly 30 000 visitors were successfully attracted.

25. Furthermore, the SIEDFTF strived to encourage business sectors to join hands in social innovation. In September 2015, a forum named "Shared Value: Creating Competitive Advantage" was held and over 160 participants attended. It aimed to encourage business leaders to help create shared values so as to provide business opportunities and deliver social impact at the same time.

Next Step

26. The latest analysis of the poverty situation revealed that the ageing population posed a challenge to the work of poverty alleviation in Hong Kong, and the elderly poverty problem should not be ignored. At present, there are diverse views in the community on how to support the needy elderly, and how to strike a balance between public resources and the affordability of community as a whole. In this regard, retirement protection will be a priority area of work for the CoP in the coming year. In December 2015, a six-month public consultation exercise on the future development of retirement protection in Hong Kong will be launched with a view to arriving at a community consensus.

27. In addition, the CoP will continue in its remaining term to update the poverty line analysis annually to monitor the poverty situation in Hong Kong and the effectiveness of the poverty alleviation policies, as well as further the work of the CCF and SIE Fund. The CoP will also continue to monitor the progress of LIFA to ensure its timely implementation in the second quarter of 2016.

Advice Sought

28. Members are invited to note the contents of the paper.

**Secretariat of the Commission on Poverty
Chief Secretary for Administration's Office
October 2015**