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Subcommittee on Poverty Alleviation

Background brief prepared by the Legislative Council Secretariat for the meeting on 5 November 2012

Poverty alleviation

Purpose

This paper summarizes the major concerns about the subject of poverty alleviation raised by various Panels, the former Subcommittee to Study the Subject of Combating Poverty ("SCSSCP") under the House Committee ("HC") and the former Subcommittee on Poverty Alleviation ("SCPA") under the Panel on Welfare Services ("WS Panel").

Background

Subcommittee to Study the Subject of Combating Poverty

2. Following the passage of a motion on "Alleviating the disparity between the rich and the poor" at the Council meeting of 3 November 2004, "SCSSCP" was formed under HC on 12 November 2004 to study the subject of combating poverty. SCSSCP had completed the studies on four topics namely working poverty, women in poverty, elderly in poverty and development of social enterprise ("SE") and submitted a report on each of these topics to HC between February 2006 and June 2008. With the exception of the Report on Development of Social Enterprise, three motion debates, one on each of the other three reports, were held at the Council meetings on 15 February 2006, 5 July 2006 and 27 June 2007 respectively. SCSSCP had made a number of recommendations for consideration and response by the Administration. A summary of the recommendations of SCSSCP is in **Appendix I**.

Commission on Poverty

3. The Commission on Poverty ("CoP"), chaired by the Financial Secretary, was established in February 2005 to examine issues relating to poverty in Hong Kong. The major tasks of CoP were to study and identify the needs of the poor and make policy recommendations on poverty alleviation and promotion of self-reliance. Prior to its dissolution on 30 June 2007, CoP submitted a report to the Government summarizing its work and making 53 recommendations on the direction for future work to prevent and alleviate poverty.

Task Force on Poverty

4. Following the dissolution of CoP in June 2007 and re-organization of policy bureaux of the Government Secretariat with effect from 1 July 2007, the former CE announced the setting up of an inter-bureau/departmental Task Force on Poverty ("TFP") headed by the Secretary for Labour and Welfare ("SLW") to coordinate cross-departmental efforts on poverty alleviation. According to the Administration. TFP had duly followed up of CoP's all A progress update of the recommendations of CoP as recommendations. at June 2012 is in **Appendix II.**

Subcommittee on Poverty Alleviation

5. The WS Panel appointed SCPA in January 2009 to study policies and measures relating to poverty alleviation. SCPA held 12 meetings to discuss with the Administration and receive views from deputations in this regard. SCPA concluded its work in June 2010 and drew up 15 recommendations for consideration by the Administration. A summary of SCPA's recommendations is in **Appendix III.**

Preparatory Task Force on the Commission on Poverty

6. The Preparatory Task Force on the Commission on Poverty ("the Preparatory Task Force"), chaired by CE, commenced operation on 1 July 2012. The Preparatory Task Force will recommend to CE the terms of reference and composition of CoP to be reinstated in the fourth term Government. According to CE, CoP would be reinstated as early as possible to review, study and systematically address the issues relating to poverty among the elderly, the working poor, cross-generational poverty, poverty affecting new immigrants and ethnic minorities, and regional

poverty.

Subcommittee on Poverty

7. Hon Frederick FUNG Kin-kee had proposed to HC that a subcommittee on poverty should be set up to ensure effective monitoring of the work of the CoP to be reinstated and provide a forum for members to express their views to CoP. HC agreed at its meeting on 12 October 2012 to set up the Subcommittee on Poverty to study the subject of poverty alleviation. The terms of reference and work plan of the Subcommittee are in **Appendix IV**.

Past discussions by members

8. Major concerns of members of SCSSCP, SCPA and various Panels on the issues relating to poverty alleviation are summarized in the following paragraphs.

Adjustment of Comprehensive Social Security Assistance ("CSSA") payment rates

- 9. Members of SCPA were concerned about the inadequacy of the CSSA payments in meeting the basic needs of the recipients especially in the face of rapid increase of food prices and rentals. To maintain the purchasing power of CSSA recipients, members strongly called on the Administration to put in place a mechanism to adjust the standard rates of CSSA ahead of the annual adjustment cycle if there was persistently high inflation.
- 10. The Administration advised that under the existing mechanism, the CSSA standard payment rates were adjusted according to the movement of the Social Security Assistance Index of Prices ("SSAIP") annually to maintain the purchasing power of CSSA payment rates. The weighting system of the SSAIP was updated every five years on the basis of the findings of the Household Expenditure Survey on CSSA Households. The Administration acknowledged the need to monitor closely the SSAIP movements and would consider seeking approval for any inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle if movements of SSAIP and other economic indicators pointed to persistently high inflation.

- 11. Some members considered that the updating of the weighting system of SSAIP was related to the relative importance of individual items of goods and services consumed by CSSA recipients, but not the basic needs items to be included. The updating exercise should by no means be regarded as a review of the adequacy of the CSSA standard rates. They urged the Administration to conduct a comprehensive review of the CSSA Scheme expeditiously.
- 12. Members noted with concern that CSSA households faced financial hardship at times of inflation. Specifically, over one half of CSSA households living in private housing were paying actual rental higher than the maximum levels of rent allowance ("MRA") under the CSSA Scheme. Members called for a review of the adjustment mechanism for rent allowance and MRA. Given the rental in urban areas was higher than other districts, some members suggested that different MRAs for different districts should be set.
- 13. The Administration explained that MRA was determined and adjusted annually according to the movement of Consumer Price Index (A) rent index for private housing which tracked the lower-end private housing rental market. Rent allowance was payable as a standard special grant to all CSSA recipients to meet the cost of accommodation. The amount of the allowance was the actual rent paid or the prescribed maximum level by household size, whichever was the less. Given the rent levels could be affected by factors such as floor area, facilities, locations and age of the property, the rent level of the premises in the same districts might vary greatly. The Administration therefore considered it inappropriate to set different MRAs for different districts. It was also not appropriate to adjust the levels of MRA simply to catch up with the constantly changing rent levels in the private housing market.

The requirement for the elderly to apply for CSSA on a household basis

- 14. Members of SCPA had expressed grave concern about whether the CSSA payments were adequate to meet the basic needs of the elderly. In members' view, the requirement for elders living with their family members to apply for CSSA on a household basis had caused the problem of elderly poverty. The Administration was requested to review the requirement for the elderly to apply for CSSA on a household basis.
- 15. The Administration advised that the rationale for requiring elders living with their family members to apply for CSSA on a household basis

was to encourage family members to support each other. The Administration would exercise discretion to waive the requirement under special circumstances such as where an elderly applicant had poor relationship with his family members or his children were not able to support him for special reasons.

Residence requirements under the CSSA Scheme

- 16. Members of SCPA noted that many newly arrived single mothers were not eligible for CSSA as they did not meet the seven-year residence requirement. They were unable to find suitable employment because of the low-education attainment and the need to take care of their young children and hence faced great financial hardship. SCPA suggested that the seven-year residence requirement be removed.
- 17. According to the Administration, Hong Kong residents aged below 18 were exempted from the residence requirement under the CSSA Scheme. The residence requirements were introduced in 2004 in line with the recommendations in the Report of the Task Force on Population Policy. The requirements helped ensure reasonable allocation of social resources and sustainable development of the social security system. Specifically, the seven-year residence requirement aimed to encourage new arrivals who could work to be self-reliant rather than relying on welfare assistance. underlined the need for potential immigrants to plan carefully and ensure that they had sufficient means to be self-supporting before settling in Hong The Administration pointed out that the Director of Social Welfare ("DSW") had the discretion to waive the seven-year residence DSW would take into account all relevant factors of each case to establish whether there was a genuine hardship for exercising his discretion in this regard.

Internet access for students receiving CSSA

- 18. Noting that some CSSA households could not afford to own a computer and pay the recurrent Internet access charges, members of SCPA were concerned that the lack of Internet access would impede the learning and development of children from CSSA families and would result in inter-generational poverty. Members proposed that computer facilities and subsides for Internet access charges should be provided to students on CSSA.
- 19. The Administration advised that a two-pronged strategy was adopted

to assist students from low-income families in undertaking web-based learning at home. This included the provision of an annual Internet Access Subsidy to eligible families and the implementation of a five-year Internet Learning Support Programme ("ILSP") to help them acquire affordable computers and Internet access service, and to provide them with the necessary training and technical support. ILSP was expected to benefit 300 000 low-income households and 410 000 primary and secondary students of whom 120 000 were students from CSSA households. According to the Administration, as at October 2011, more than 23 000 families had applied to join the programme. As at November 2011, more than 2 100 computers and 880 Internet access packages had been sold through the programme.

Disregarded earnings ("DE") arrangement

- 20. Members of SCPA noted that the provision of DE sought to allow part of CSSA recipients' monthly earnings from employment to be disregarded when assessing the amount of assistance payable. Members were of the view that since only CSSA recipients who had been on CSSA for not less than two months were eligible for DE benefits, such requirement had departed from the objectives of DE to encourage CSSA recipients to find work and remain in employment. Members called on the Administration to relax the DE arrangements and to abolish the "no DE for the first two months" rule.
- 21. The Administration explained that DE arrangements, together with the Active Employment Assistance Programme and the Community Work Programme, were the three main components of the Support for Self-reliance Scheme which aimed to assist able-bodied CSSA recipients in enhancing their employability, thereby moving towards self-reliance. criteria for allowing CSSA recipients to be eligible for DE had since December 2007 been relaxed from not less than three months on CSSA to not less than two months, while the amount that could be fully disregarded had also been increased from the first \$600 to the first \$800 of the monthly The maximum level of monthly DE was \$2,500. A balance had income. to be struck between providing financial incentives for CSSA recipients to find and remain in employment and maintaining DE at a level which would not become a disincentive for employable recipients to leave the CSSA net. The Administration would continue to keep a watch on the effectiveness of the DE arrangement and conduct a review in due course.

Residential care services ("RCS") for the needy elderly

- 22. In view of Hong Kong's ageing population, members of the WS Panel and SCPA were gravely concerned about the insufficient provision of subsidized residential care places for the needy elderly and the long-term planning in this regard.
- According to the Administration, to meet the growing care needs of 23. elders, the Government had been increasing the supply of subsidized residential care places through the construction of contract residential care homes for the elderly ("RCHEs") which provided both care-and-attention ("C&A") places and nursing home places. The C&A places in contract homes were required to provide a continuum of care ("COC") so that elders could continue to stay in the same home when their health condition deteriorated to a level that required nursing care. The Administration would continue to identify suitable sites for the construction of new contract RCHEs and explore with existing contract RCHEs to convert some of the C&A places into nursing home places so as to shorten the waiting time for nursing home places. The Administration further advised that it had secured resources for about 1 700 additional residential care places which would commence operation from 2012-2013 to 2014-2015 and had been bidding for the necessary resources for the provision of additional residential care services in the coming years.
- 24. Members were concerned about the slow progress of the conversion of subvented RCHEs places to C&A places with COC. The Administration explained that the conversion programme was effective in increasing the supply of C&A places with COC. Funding was available for the conversion works but the works would only be carried out in RCHEs when there were a number of vacant places arising from natural wastage in order to avoid causing disturbance to existing residents.
- 25. Members of the WS Panel pointed out that notwithstanding the long waiting time for RCS, some elders preferred waiting for subvented RCHE places to admission to private RCHEs because of the substandard quality of some private RCHEs. They were of the view that the Administration should, in addition to purchasing more places for private RCHEs, help upgrade the living environment and service quality of private RCHEs.
- 26. The Administration advised that of the 50 000 private RCHE places, about 7 300 were subsided places under the Enhanced Bought Place Scheme ("EBPS"). The Administration would continue to explore

practicable and feasible measures to improve the operating conditions of EBPS homes and enhance their services.

Development of SEs

- 27. Pointing out that some SE practitioners had been committed to developing SE business without funding support from the Government, members of the WS Panel and SCPA sought information on the Administration's plan in assisting these practitioners. Members noted with concern that the major challenge faced by SEs was a lack of relevant experience and professional knowledge in running a business. of the view that apart from providing SEs with start-up grants, the Administration should introduce facilitating measures from the policy perspective to help the sustained development of SEs such as offering tax concessions to SEs and accepting applications for the Enhancing Self-Reliance Through District Partnership ("ESR") Programme from organizations which had yet to be recognized as non-profit making organizations under section 88 of the Inland Revenue Ordinance (Cap. 112).
- 28. According to the Administration, new initiatives for promoting the sustainable growth of SEs were drawn up having regard to the views of Social Enterprise Advisory Committee. Starting from 2011, the ESR Programme accepted, on a trial basis, applications from non-profit making organizations not registered under section 88 of the Inland Revenue Ordinance to encourage more SE practitioners to apply for grants under the programme.
- 29. Members requested the Administration to take into account the scale and capability of SEs and identify suitable Government service contracts for priority bidding by SEs as well as take the lead to support SEs through purchasing SE products and services. Members suggested that the Administration should consider setting up an SE corporation to facilitate small SEs to join their efforts in bidding certain Government service contracts.
- 30. The Administration advised that it had been promoting cross-sectoral collaboration between the business sector and SEs through the matching forum, i.e. the Social Enterprises Partnership Programme and the Social Enterprises Mentorship Scheme, to foster the development of SEs. Workshops were conducted for SE operators and business professionals to exchange experience on the operation of enterprises. According to the

Administration, the number of Government service contracts awarded to SEs had been increasing in the past few years and priority would be given to use SE projects and services as far as practicable if SEs met the service standards and requirements.

- 31. Given SEs were not profit maximizing enterprises, some members suggested that the Administration should consider raising the amount of seed grants under the ESR Programme to facilitate the development of larger-sized SEs. Members also suggested that the Administration should consider appointing a commissioner to oversee the development of SEs and introducing a registration regime for SEs.
- 32. The Administration was of the view that too much financial assistance to or regulation of the operation of SEs might hinder the healthy development of SEs which should be operated in accordance with commercial principles.

Monitoring of poverty situation

- 33. Noting that a set of 24 poverty indicators, which was compiled by CoP, sought to enable the public to better understand the extent of poverty in different age groups, and assess the effectiveness of measures in alleviating and preventing poverty, some members of SCSSCP pointed out that the poverty indicators did not tell the size of people living in poverty and where these people were. They were of the view that CoP should define its target groups, "poverty" or low-income level as a definition of poverty would provide benchmarks for evaluating the effectiveness of anti-poverty measures.
- 34. The Administration explained that as people had different understanding on what poverty was, a comprehensive set of 24 poverty indicators was developed to assist the community in understanding the progress made in addressing the needs of different target groups. These indicators would also enable tracking of the poverty situation over time, and provide reference for further policy formulation.
- 35. Some members of SCPA queried the usefulness and effectiveness of the adoption of the 24 poverty indicators. Instead of using the indicators to measure merely the number of persons falling within different categories of disadvantaged, the Administration should set concrete targets for alleviating poverty and assessing the effectiveness of the poverty alleviation measures. Given the poverty indicators were updated annually

by using the data in the preceding year, they failed to reflect the latest situation in Hong Kong. To better understand the magnitude of the poverty situation and to formulate immediate relief measures, the Administration should consider updating the indicators more frequently.

- 36. Members also suggested that the performance of all the indicators, including the life-cycle-based poverty indicators, should be updated by districts in order to monitor the performance of indicators in different districts and facilitate the formulation of policies and measures to meet the specific needs of different disadvantaged groups in the less well-off districts. To ensure that the targeted measures met the specific needs of various disadvantaged groups in different districts, the District Officers concerned should 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 performance of these initiatives in assisting the disadvantaged.
- 37. The Administration was of the view that as many external factors such as economic conditions and changes in the demographic structure would have a bearing on the poverty situation, it was very difficult to set any target to reduce poverty. The Administration would continue to make use of the 24 multi-dimensional indicators to monitor the poverty situation in Hong Kong from different perspectives and identify the needs of different disadvantaged groups and people across different districts which would provide the basis of the formulation and evaluation of policies to assist the needy.
- 38. Regarding the suggestion of updating the indicators by districts, the Administration explained that the 24 poverty indicators were compiled mainly based on the data collected in the General Household Survey ("GHS") conducted by the Census and Statistics Department and the samples for GHS were selected according to a scientifically designed It was therefore not advisable to subjectively sampling method. over-sample specific target groups or specified districts as this would affect the representativeness of the survey results. Nonetheless, the six community-based poverty indicators which reflected the general well-being of different districts and the 18 life-cycled-based poverty indicators had helped the Administration keep track of the poverty situation. district-based measures to assist the disadvantaged had been carried out over the years such as the ESR Programme which supported some 90 SE

projects and many of these projects were carried out in less well-off districts such as Sham Shui Po and Tin Shui Wai.

39. Some members considered that it was of paramount importance for the Administration to devise an overall policy and measures to tackle poverty from the policy perspective. In their view, the Administration should re-establish CoP to study actively and formulate long-term policies to solve the problem.

Broadening of the tax base

- 40. At the meeting of the Panel on Financial Affairs on 29 November 2010, members expressed concern about the poverty problem and the need to provide a safety net for the poor. They enquired whether the Government would explore ways to broaden the tax base and consider any systemic reform of the taxation system in order to narrow the wealth gap between the rich and the poor.
- 41. The Administration explained that making substantial changes to the fiscal policy and taxation system might not be acceptable to the public as the public preferred to maintain a stable economy for the development of Hong Kong. The Government would welcome concrete proposals from members and the public for any systemic changes of the existing fiscal policy and taxation system in order to assist the low income group.

Helping the working poor

42. At the meeting of the Panel on Manpower on 17 February 2011, some members opined that the further enhanced Work Incentive Transport Subsidy ("WITS") Scheme had departed from the original policy objective of assisting low-income employees to stay in employment, thereby achieving self-reliance. They held the view that the eligibility criteria, in particular the household-based means test requirement, had reflected that the Administration was unclear as to whether the Scheme should be intended as a work incentive or a form of welfare measure to address the problem of working poverty and assist the working-poor households. They pointed out that the income limits for different household sizes were set at too low a level, making those households with more members in employment less likely to benefit from the Scheme even though some of the employed members might only earn the statutory minimum wage. They considered the further enhanced WITS Scheme far from satisfactory, especially when applicants were required to undergo a comprehensive means test covering both income and assets before the granting of WITS. They called on the Administration to drop the means test requirement, in particular the asset threshold requirement.

- 43. The Administration pointed out that the WITS Scheme was intended to be a long-term measure to assist those working poor most in need. ensure that public resources were channelled to low-income earners genuinely in need, applicants should be means-tested on a household basis. It was the view of the Administration that a household-based means test was more equitable than one that assessed only the individuals' income and assets because the overall economic situation of the household was taken There would also be less room for abuse through into consideration. transfer of assets among different household members. For the purpose of the WITS Scheme, different income and asset thresholds for households of different sizes were set having regard to income statistics and the prevailing thresholds for comparable financial assistance schemes. The asset limits under the WITS Scheme were not stringent as they were two to three times of those under the CSSA Scheme for the same household size.
- 44. At the meeting of the WS Panel on 11 July 2011, members expressed concern about the measures in place to improve the livelihood of the working poor who were not on CSSA.
- 45. The Administration assured members that it attached great importance to poverty alleviation work and had all along adopted a pragmatic and multi-pronged approach to assist the socially disadvantaged. The Administration considered that the key to tackling poverty lay with promoting economic growth, thereby creating more job opportunities. The Administration had provided those who were ready to join the workforce with effective employment support. The implementation of statutory minimum wage and the launch of WITS Scheme helped meet the needs of employees from low-income households and encourage them to stay in employment.

Old Age Living Allowance

46. At the meeting of WS Panel on 10 July 2012, members expressed concern about the income and assets assessment, residence requirements and the implementation schedule of the Old Age Living Allowance ("OALA").

Income and assets assessment

- 47. Pointing out that Higher Old Age Allowance ("OAA") recipients were non-means-tested, some members were of the view that the same eligibility criteria should apply and OALA recipients aged 70 or above should be non-means-tested. They considered that the income and assets thresholds for OALA should be more lenient than those of Normal OAA.
- 48. The Administration explained that OALA, as a new poverty alleviation measure, aimed at supplementing the living expenses of elderly people whose needs fall between OAA and CSSA. Eligible applicants would receive a monthly allowance of \$2,200, which is more than double the current OAA of \$1,090. The qualifying age for the new scheme is 65 and above. There would be an income and asset assessment by way of a simple declaration by the applicants themselves. All prospective OALA applicants aged 65 or above would be subject to the same eligibility criteria of Normal OAA.

Residence requirements

- 49. Members were of the view that the Administration should remove all restrictions on absence from Hong Kong for OAA. They pointed out that in the absence of a universal retirement protection scheme, some elders had to rely on OAA and retire on the Mainland because of lower cost of living there. Members were concerned that nearly half of the 90 000 elders currently staying on the Mainland had not applied for OAA because they could not meet the pre-application one-year-continuous-residence requirement. Members considered it unfair to impose a residence requirement on OAA recipients who were Hong Kong permanent residents.
- 50. In the Administration's view, the court ruling on the judicial review of the policy on residence requirements on OAA had reaffirmed the legal basis of the pre-application one-year-continuous-residence requirement for all applicants for OAA. It was important for the Administration to manage public resources carefully and prudently so as to ensure their fair distribution and viability in the long term. The requirement for an applicant to reside in Hong Kong for a full year before application was to establish the link with Hong Kong community which was the primary consideration.

Implementation of OALA

- 51. Members expressed grave concern about the lead time for rolling out the new scheme in the light of the high expectation of the elderly population, and urged the Administration to put in place retrospective disbursement arrangement for OALA.
- 52. The WS Panel discussed OALA at its meeting on 22 October 2012. There were divergent views on whether OALA applicants should be subject to income and asset assessments. Some members remained of their view that OALA applicants aged 70 above should be non-means-tested and some opined that the means test requirement should be aborted altogether under OALA. Some other members considered the means test necessary and suggested that the income limit should be increased. Some members were of the view that the Administration should review the eligibility criteria of OALA including the one-year continuous residence rule for Guangdong Scheme participants who wished to apply for OALA and clearly define income for the purpose of income assessments of OALA applicants.
- 53. Some members were of the view that it was unclear whether OALA aimed to provide a monthly allowance to needy elders to meet special needs or was a poverty alleviation measure. Instead of providing piecemeal financial assistance to the elderly, the Administration should formulate long time plans to help the needy elderly such as universal retirement protection. Members requested the Administration to capitalize on the experience of overseas places which had adopted the three-pillar model (i.e. non-contributory social security system, mandatory provident fund and voluntary private savings) in implementing universal retirement protection.

Latest development

54. At the HC meeting on 26 October 2012, Members noted the Administration's proposal of establishing a Policy and Project Co-ordination Unit ("PPCU") to support the Chief Secretary for Administration ("CS") in formulating cross-cutting policies, including, inter alia, the provision of secretariat services for the newly established Poverty Commission. According to the Administration, PPCU would monitor the progress of the implementation of cross-cutting policies, as well as co-ordinate and support land development and other projects which

were conducive to fulfilling the Government's policy objectives. Subject to the consent of HC, CS will brief HC on 23 November 2012 on, inter alia, the major directions of the future work of the Poverty Commission.

55. The Administration will brief the Subcommittee on Poverty at its meeting on 5 November 2012 on the policies and measures in relation to easing the disparity between the rich and the poor and alleviating poverty, as well as the work of the Preparatory Task Force on the Commission.

Relevant papers

56. A list of relevant papers on the Legislative Council website is in **Appendix V.**

Council Business Division 2
<u>Legislative Council Secretariat</u>
2 November 2012

Recommendations of the Subcommittee to Study the Subject of Combating Poverty under the House Committee

Extract from the Report on Working Poverty (LC Paper No. CB(2)1002/05-06)

Chapter 6: Summary of recommendations

- 6.1 The Subcommittee generally agrees that it is Government's responsibility to formulate polices and strategies to alleviate poverty. The Subcommittee has agreed on the following recommendations to reduce working poverty and alleviate the problems faced by such households
 - (a) enabling community participation and empowerment of the working poor in formulating strategies to reduce working poverty;
 - (b) developing the economy and creating employment opportunities;
 - (c) providing community support and developing local economies;
 - (d) reviewing the contracting-out arrangements for Government services;
 - (e) safeguarding employees' benefits;
 - (f) enhancing the competitiveness of the working poor through education and training;
 - (g) providing financial assistance to the working-poor households; and
 - (h) providing support services for working-poor households.
- 6.2 As regards the suggestion of setting a minimum wage, the Subcommittee considers that the Government should take note of the various views expressed on this subject in this report.

The Subcommittee agrees that the report should be provided to the Government for its consideration and response. 6.3

Extract from the Report on Women in Poverty (LC Paper No. CB(2)2295/05-06)

Chapter 5 – Recommendations

- 5.1 The Subcommittee recommends that the Government should take proactive steps to implement the following recommendations to alleviate the problems faced by women in poverty and to prevent women from falling into poverty
 - designate a bureau/department to assume the overall responsibility for coordinating policies and measures for alleviating the problems faced by women in poverty. The Commission on Poverty should also have a role to play in addressing the poverty problem faced by women;
 - (b) extend the concept of social partnership to assist women to start their business in local community, and establish a fund to provide seed money for women to start such businesses;
 - (c) provide 12-year universal education and allocate more resources for adult education including the provision of evening secondary school courses;
 - (d) provide more targeted employment training for women of different age groups and different educational background to enhance their employability;
 - (e) review the Employment Ordinance to enable employees not engaged on a continuous employment contract to entitle to the full range of employment benefits on a pro rata basis;
 - (f) review the anti-discrimination legislation to identify improvements to eliminate discrimination against women in employment, including age discrimination and dismissal upon return from maternity leave;
 - (g) ensure contractors of government services will strictly comply with the contract terms particularly the wages and employment conditions for their workers;

- (h) review the contracting-out arrangements and award more contracts to non-governmental organisations for providing more employment opportunities to disadvantaged groups;
- (i) review the Co-operative Society Ordinance and consider relaxing the requirement for 10 members to form a co-operative;
- (j) formulate a family-friendly policy, and encourage practices in public and private sectors to facilitate sharing of family responsibilities between the two sexes and women's participation in the labour force and community services;
- (k) strengthen the child care and after-school care services, extend the service hours and provide fee waivers to low-income households;
- (l) implement the transport subsidy to low-income employees as soon as possible;
- (m) consider providing insurance cover for about 10 000 local domestic helpers currently registered with ERB;
- (n) consider increasing the amount of Disregarded Earnings under the CSSA scheme, relaxing the seven-year residence rule for public housing and CSSA payments, and withholding the proposal for single parents on CSSA with youngest children below the age of 12 to participate in the Active Employment Assistance Programme under the Support for Self-reliance Programme;
- (o) consider establishing an intermediary body for the collection and enforcement of maintenance payments;
- (p) consider establishing "one-stop" service centres for low-income families in each of the 18 districts, with separate units to cater for the specific needs of single parents and new arrivals;
- (q) take into account women's needs and perspectives in

the formulation of policies, legislation and funding proposals, and ensure equal opportunities for men and women;

- (r) increase the rate of women's participation, particularly those from the grassroots, in Government's advisory and decision-making bodies, to 40%;
- (s) draw up specific targets and measures for implementing gender mainstreaming, and inform the public regularly of the progress made in reducing gender inequalities and addressing the needs of women;
- (t) step up public education to eradicate the prejudice concerning women's abilities, development and participation in the social, economic and political arenas; and
- (u) consider providing a universal retirement scheme for all elderly, including home-makers, self-employed and employees with a monthly earning below \$5,000.
- Members belonging to the Liberal Party agree to the above recommendations, except items (e), (f), (m), (n), (o) and (u). Hon Abraham SHEK agrees to the recommendations except items (e), (f), (m), (o) and (u).
- The Subcommittee agrees that the report should be provided to the Administration for consideration and response.

Extract from the Report on Elderly in Poverty (LC Paper No. CB(2)2048/06-07)

Chapter 5 – Recommendations

5.1 The Subcommittee is of the view that the Government should take proactive steps to prevent elders from falling into poverty and to alleviate the problems faced by elderly in poverty. The Subcommittee recommends that the Government should -

Financial assistance for the elderly

- (a) conduct a comprehensive review of the adequacy of monthly allowances payable under the CSSA and the SSA Schemes to ensure that they meet the basic living requirements of the elderly recipients;
- (b) review the eligibility criteria for OAA under the SSA Scheme including extending the permissible annual absence limit and raising the asset limit;
- (c) extend the Portable CSSA Scheme to all places outside Hong Kong;
- (d) review and relax the requirement for elders to apply for CSSA on a household basis:

Medical services for the elderly⁶

- (e) streamline the application procedures for medical fee waiver, and extend the waiver to Chinese medicine consultation and medication charges;
- (f) consider providing medical treatment at public hospitals and clinics to all elderly at half-price;
- (g) expedite the setting up of public Chinese Medicine Clinics (CMCs) and dental clinics in all 18 districts in Hong Kong, particularly in those districts with a high proportion of elderly population;
- (h) consider providing subsidies for elderly for receiving

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⁶ In paragraph 5.1(e) to (i), elderly refers to elders who are eligible for the medical fee waiver mechanism.

treatment from registered private Chinese medicine practitioners and dentists, prior to setting up CMCs and dental clinics in all 18 districts in Hong Kong;

(i) review the public healthcare services (including the provision of a manually operated telephone booking system and the allocation of a number of consultation slots for walk-in elderly patients in addition to the implementation of an automated phone booking system) to ensure that elderly patients can receive timely treatment;

Care and support services for the elderly⁷

- (j) formulate a comprehensive long-term care policy, establish a mechanism for the planning of long-term care services for the elderly and review the Standardised Care Need Assessment Mechanism for Elderly Services;
- (k) develop community-based healthcare services for the elderly at district level;
- (l) provide more tax incentives to families for taking care of elderly family members;
- (m) strengthen the provision of day care support services for the elderly and provide direct subsidies to the elderly;

Residential care services for the elderly

- (n) expedite the provision of subsidised RCHE places to shorten the waiting time to less than one year and increase the amount of subsidy for private RCHE places, pending the completion of the review of the Standardised Care Need Assessment Mechanism for Elderly Services;
- (o) provide direct subsidies to the elderly and allow them to choose the types of residential institutions which best suit their needs;

⁷ In paragraph 5.1(j) to (o), elderly refers to elders who satisfy the eligibility screening for applications for long term care services under the Standardised Care Need Assessment Mechanism for Elderly Services.

Housing needs of the elderly⁸

- (p) provide public housing units for victims of elder abuse cases according to their needs;
- (q) review the housing allocation arrangement under the Special Scheme for Families with Elderly Persons and accord priority to families with elderly members;
- (r) construct more public housing units specifically for the needy elderly;
- (s) offer incentives to private developers to build residential estates for the elderly;

Retirement protection for the elderly

(t) review the arrangement for offsetting the long service payment or severance payment by the accrued benefits derived from the contribution of the employers made to his/her employees in the MPF Schemes;

Financial security for the elderly

- (u) consider providing a universal retirement protection for the elderly;
- (v) draw up measures to promote financial security in old age, including relaxing the eligibility for elderly owner-occupiers of old buildings for applying for public housing and studying the viability of "reverse mortgage";

Promoting positive ageing in the community

(w) step up public education on the concept of "ageing in the community" and life-long education;

(x) provide transport subsidy for the needy elders to encourage them to participate in activities in the community; and

⁸ In paragraph 5.1(p) to (s), elderly refers to elders who meet the eligibility criteria for special housing allocation arrangements for elderly persons adopted by the Housing Department.

- (y) draw up specific measures to enhance the capability of the elderly to integrate into the community and to address the technical difficulties faced by the elderly in using information technology including making the operation of automatic teller machines more userfriendly.
- 5.2 Of the above recommendations, members belonging to the Liberal Party do not agree with items (d), (t) and (u) and have reservations on items (b), (h), (o) and (x). On item (f), members belonging to the Liberal Party consider that public medical treatment should be provided to needy elderly free of charge or at half-price. As regards item (g), members belonging to the Liberal Party consider that public CMCs and dental services should be provided in those districts with a high proportion of elderly population.
- 5.3 The Subcommittee agrees that the report should be provided to the House Committee for information, and to the Administration for consideration and response.

Extract from the Report on Development of Social Enterprise (LC Paper No. CB(2) 2390/07-08

Chapter 5 – Recommendations

5.1 The Subcommittee is of the view that it is the Government's responsibility to take proactive steps to foster the development of social enterprise. The Subcommittee recommends that the Government should -

Formulation of an overall strategy and policy

- (a) formulate an overall and long-term policy to support the development of social enterprise;
- (b) establish a high-level cross-bureau task force to formulate overall strategies for developing social enterprise, and designate a bureau/department to be responsible for overseeing and promoting the development of and providing assistance for the social enterprise sector;
- (c) encourage large business corporations to take the lead in running social enterprise business, so as to alleviate the worry about unfair competition between social enterprises and SMEs;
- (d) introduce more social enterprises in districts where the poverty problem is more serious so as to increase the employment opportunities in these districts;

Creating an enabling market environment

- (e) provide a definition of social enterprise and specify the target groups;
- (f) review the procurement policies, in particular the criteria for awarding Government service contracts for social enterprises;
- (g) specify a certain percentage of the procurement of Government goods and services for social enterprises;
- (h) award restricted tenders of Government services for social enterprises;

Business facilitation and support

- (i) offer advisory and mentorship service to social enterprises to run business;
- (j) provide one-stop support, training and consultancy services for social enterprises;
- (k) facilitate cross-sectoral collaboration and encourage the private sector to set up start-up funds for social enterprise projects;
- (l) provide loan guarantee and set up marketing, training and development funds for social enterprises, similar to the funding schemes for SMEs;
- (m) offer tax concession to social enterprises which employ a certain proportion of unemployed persons and PWDs;
- (n) provide a profits tax exemption period for newly established social enterprises;
- (o) offer rent concession to social enterprises;
- (p) give priority leasing vacant premises or stalls at public housing estates or public hospitals to social enterprises;
- (q) encourage private enterprises to offer rent concession for social enterprises;

Legal framework for social enterprise

- (r) expedite the review of the Co-operative Societies Ordinance and the Companies Ordinance with a view to providing more flexibility for the formation of cooperatives;
- (s) consider establishing an appropriate regulatory framework to cater for the special needs of social enterprises;

Increasing public awareness and acceptance

- step up publicity and promote the public's awareness and acceptance of social enterprises; and
- (u) establish a platform for the sector to maintain dialogue with the Government and the business sector.
- 5.2 The Subcommittee agrees that the report should be provided to the House Committee for information, and to the Administration for consideration and response.

Recommendations of the Former Commission on Poverty Progress Update (as at June 2012)

(I) Understanding Poverty

No.	Recommendation	Progress
1	Monitor and track the indicators of poverty, and where appropriate, improve them by taking into account the changing needs of the society.	Ongoing. The indicators of poverty are updated regularly and uploaded onto the Labour and Welfare Bureau ("LWB") website.
2	Draw reference to the indicators of poverty as well as other relevant data and information during policy formulation and implementation, and consider the impact of public policies on the different disadvantaged groups and communities.	Ongoing. Updated indicators of poverty are sent to all relevant bureaux and departments regularly for reference.
3	Conduct and encourage relevant institutions to conduct further poverty researches and analysis in order to facilitate a more informed public policy discourse on the subject.	In 2008-09, the Research Grant Council awarded a research project in the area of "Poverty, Inequality, and Social Disadvantages in Hong Kong" under the "Strategic Public Policy Research Grants" ("SPPRG") Scheme to the Hong Kong University of Science and Technology ("HKUST"). This project, which lasts for five years, will track changes in the social and economic status of households and individuals in Hong Kong in the areas of employment, education, housing, mobility, etc. The first stage household survey has been completed and the second stage will be conducted in 2013. Another research project proposed by the Chinese University of Hong Kong, entitled "Trends and Implications of Poverty and Social Disadvantages in Hong Kong: A Multidisciplinary and Longitudinal Study", was awarded SPPRG in January 2012. This longitudinal study will conduct two rounds of sampling survey in 2013 and 2015 respectively to collect data on the measurement of poverty, deprivation and social exclusion in Hong Kong. The study is expected to be completed in 2017.
4	Conduct evaluative studies on poverty alleviation measures.	Evaluation is conducted as necessary. For instance, LWB has commissioned the Hong Kong Polytechnic University to conduct a longitudinal study on the first batch of Child Development Fund ("CDF") pioneer projects. The study is expected to be completed in 2012.

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No.	Recommendation	Progress
5	Track the impact of taxation and social benefits on household income, in particular on the lower-income group.	Based on the data collected in 2008, the Census and Statistics Department ("C&SD") has conducted a Study on Impact of Taxation and Social Benefits on Household Income. The final report is available at LWB's website.
		On 18 June 2012, C&SD released its Thematic Report on Household Income Distribution in Hong Kong. It presented an updated set of Gini Coefficients, compiled using data collected in the 2011 Population Census, and discussed the impact of taxation and social benefits on household income. The thematic report is available at C&SD's website.
6	Track the situation of social and earnings mobility in Hong Kong, and carry out longitudinal studies on children and other major vulnerable groups.	The former Commission on Poverty commissioned the University of Hong Kong ("HKU") to conduct a study on earnings mobility and intergenerational earnings mobility in Hong Kong over the period 1996-2005. The Government commissioned HKU to update the study over the period 1998-2008 and the final report is available at LWB's website.
		In March 2008, the Central Policy Unit ("CPU") co-organised the "Conference on Social Inequality and Social Mobility in Hong Kong" with the Hong Kong Institute of Asia-Pacific Studies of the Chinese University of Hong Kong and the Centre of Asian Studies of HKU.
		CPU has commissioned HKU to carry out a study on the social and economic integration of new arrivals from the Mainland. The study is expected to be completed in 2012.
		CPU and HKUST co-organised an international conference on "Social Inequality and Mobility in Chinese Societies" in December 2011.
7	Develop indicators or conduct studies to reflect the strength of community networks.	CPU conducted three studies on Tin Shui Wai ("TSW"), including social networks, communal living, and a comparison between TSW and Sham Shui Po ("SSP"). The three studies had been completed and a symposium on "Woes and Hopes in Tin Shui Wai" was organised in October 2009.
		LWB has commissioned independent consultants to conduct an evaluation study on the Community Investment and Inclusion Fund. The study commenced in October 2010 and is expected to be completed in 2012.

No.	Recommendation	Progress
8	Facilitate the collection of data and statistics to enhance poverty researches and analysis systematically, e.g. the collection of health data or statistics to be taken into account in the long-term development of a territory-wide health record infrastructure.	The Food and Health Bureau ("FHB") is spearheading the development of a territory-wide patient-oriented eHealth Record ("eHR") Sharing System. The eHR Office conducted a two-month public consultation on the Legal, Privacy and Security Framework for eHR Sharing from December 2011 to February 2012. The eHR Office aims at enacting the legislation for eHR sharing in 2013-14 and implementing the eHR Sharing System by the end of 2014. Regular international studies on education performance of Hong Kong students will continue to be conducted by the Education Bureau ("EDB") to cover, inter alia, correlation between Hong Kong students' social economic status and their achievements.
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(II) The Unemployed and the Working Poor

No.	Recommendation	Progress
9	Review the provision of training, retraining, skills upgrading and life-long learning holistically to ensure that they are market-oriented and have taken into account the needs of the unemployed and the working poor.	The Employees Retraining Board ("ERB") has completed a strategic review of its future directions with a view to enhancing and upgrading its training and retraining services, and briefed the Legislative Council ("LegCo") Panel on Manpower in April 2009. ERB has since fully implemented the recommendations. It will continue to keep under review its service provision and ensure that it is market-driven and takes into account the needs of the unemployed.
10	Further strengthen training and retraining efforts, including making use of the levies collected from the employers of foreign domestic helpers when the resources could be used.	ERB has been using the levy to support its operation and services. In 2012-13, ERB plans to offer 130 000 training places in about 900 courses. It has also reserved adequate resources to provide an additional 30 000 training places should the need arise. ERB will continue its work in providing training which leads to recognised qualifications, including both full-time placement-tied courses and part-time skills upgrading courses. ERB will step up the promotion of its courses with a view to encouraging more eligible persons to engage in training and continuous skills upgrading.
11	Adopt an integrated approach in the delivery of training and employment assistance in order to make the best use of the resources available and provide more targeted assistance to the "difficult-to-employ".	To streamline, integrate and enhance the existing employment and training/retraining services of the Labour Department ("LD"), the Social Welfare Department ("SWD") and ERB, LD set up a pioneer "Employment in One-stop" service centre in TSW in

No.	Recommendation	Progress
		December 2011. The centre provides case management and employment support services, rendered by registered social workers, to those job-seekers with special employment difficulties, so as to help them secure employment effectively.
12	Review holistically how to achieve the target of "one-stop shop" in the provision of employment assistance, so that able-bodied persons, especially those who are "difficult-to-employ", can access relevant training and employment assistance more easily.	LD will closely monitor the operation of "Employment in One-stop" service centre and review its effectiveness after two years.
13	Promote economic development with particular attention to sectors which provide job opportunities for low-skilled workers.	The 10 Major Infrastructure Projects introduced in the Policy Address 2007 will create, from commissioning to a mature stage, some 250 000 additional jobs. So far, the works of the Hong Kong-Zhuhai-Macao Bridge, the Tuen Mun – Chek Lap Kok Link, the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link, South Island Line (East), the Kai Tak Development First Stage works including the Cruise Terminal, Public Rental Housing and the District Cooling System have commenced. The expansion projects of the Hong Kong Disneyland and the Ocean Park were in good progress. The first berth of the new cruise terminal at Kai Tak is expected to commence operation in mid-2013. The LegCo Finance Committee approved \$150 million in April 2012 for the Mega Events Fund to continue supporting various mega arts, cultural, sports and entertainment events.
14	Support the development of social enterprises ("SEs") to assist those who are "difficult-to-employ" to integrate into the job market and capture job opportunities.	The Home Affairs Department ("HAD")'s Enhancing Self-Reliance Through District Partnership ("ESR") Programme provides seed grants to eligible non-profit-making organisations to set up SEs. The ESR Programme seeks to promote sustainable poverty prevention and alleviation efforts at the district level that help enhance the skills and capacities of the underprivileged, provide opportunities for the underprivileged and promote their self-reliance. So far, about 128 SE projects have been approved under the ESR Programme, and these projects are expected to create over 2 100 job opportunities. A pilot scheme to facilitate SEs in bidding government contracts was introduced in early 2008. In the third phase of the scheme in 2011, 42 cleansing and gardening contracts were made available for priority bidding by SEs, with a total contract value amounting to some \$22 million. HAB and HAD are

No.	Recommendation	Progress
		conducting a review on the scheme.
		The Social Enterprise Advisory Committee has been set up to advise the Government on the development of SEs.
15	Strengthen employment support at the district level, particularly in those districts with stronger needs for more targeted support, coupled with local economy and social enterprise development as well as investment in public works and infrastructural projects.	Of the 128 SEs projects funded by the ESR Programme (see item (14) above), about half are being carried out in less well-off districts such as TSW, SSP, Tuen Mun, Yuen Long ("YL"), Tung Chung ("TC") and Kwun Tong. LD has provided, on a pilot basis, 18 vacancy search terminals ("VST") to non-governmental organisations ("NGOs") operating placement services for residents in remote districts including TC, Tseung Kwan O, Kwai Tsing and Southern District. In view of the positive responses from participating NGOs to the pilot scheme, LD has extended the VST scheme to Kowloon City and Yau Tsim Mong districts in the second quarter of 2012.
		Between July 2007 and May 2012, LD has organised 1 386 job fairs in various districts. In 2012-13, LD will continue to organise job fairs in various locations having regard to the employment situation in individual districts.
16	Give more attention to social and demographic considerations such as population, employment, supporting facilities and other people-based issues during the planning process.	In preparing the land use plan for a new town/new development area, the Planning Department will take into consideration socioeconomic needs, infrastructure provision, environmental impact and urban design.
17	Monitor and review the implementation of the pilot Transport Support Scheme ("TSS"), and consider the appropriate form of incentives to encourage work.	The eligibility criteria of TSS was relaxed, and the duration of the subsidy period extended, in July 2008. Subsequently, to relieve the burden of transport expenses on low-income earners and encourage them to stay in employment, the Government launched a territory-wide Work Incentive Transport Subsidy ("WITS") Scheme in October 2011 to replace TSS. The income and asset limits of the means test under the WITS Scheme have been relaxed through updating with effect from March 2012.
18	Consider how to provide suitable support to the able-bodied unemployed and the working poor so that the system will provide the necessary incentives for those who have the ability to work to springboard to employment and achieve self-reliance.	Apart from setting up the "Employment in One-stop" service centre in TSW (see item (11) above) and introducing TSS and WITS Scheme to encourage work (see item (17) above), the Government has also been implementing various employment assistance programmes under the Comprehensive Social Security Assistance ("CSSA") Scheme to help able-bodied CSSA recipients springboard to employment and achieve self-reliance. SWD will, starting from January 2013, integrate and

No.	Recommendation	Progress
		improve these programmes with a view to enhancing effectiveness and achieving synergy.

(III) Children and Youth

No.	Recommendation	Progress
19	Adopt a holistic and family perspective in policies and measures in assisting children and youth, with particular emphasis on early identification and intervention, evidence-based policy making and intersectoral collaboration.	The Family Council was established in December 2007 to provide a high-level platform for discussion of major issues from the family perspective. It also considers the strategic directions and priorities in formulating family-related policies.
20	Implement the Child Development Fund ("CDF") and try out an asset-based model (including a targeted savings element and a mentoring scheme) which encourages longer-term personal development of children from a disadvantaged background.	The \$300 million CDF was established in April 2008. To date, three batches of 40 projects have been rolled out, benefiting more than 4 400 children aged between 10 and 16. Taking into account the results and recommendations of the longitudinal study on the first batch pioneer projects, which is expected to be completed in 2012, and having regard to the practical experience in implementing the projects, LWB will consider the long-term model of CDF for promoting child development in Hong Kong.
21	Further develop the CDF into a longer-term model to promote child development in Hong Kong after the trial stage, and consolidate different resources and funding sources in order to promote a more child-based, assetbased and family-based model.	LWB has commissioned a longitudinal study to evaluate the first batch of CDF pioneer projects, and will consider the way forward for CDF having regard to the consultant's recommendations and practical experience. The study is expected to be completed in 2012.
22	Improve the impact assessment of existing efforts on the development of children from a disadvantaged background.	See item (21) above.
23	Make appropriate use of schools as a platform to help address the development needs of the disadvantaged children, particularly for the "hidden cases", through collaboration between the social services and the education sectors.	EDB has facilitated the opening up of school premises such as schools in YL and TC for educational purpose. EDB will continue to encourage schools, particularly those located in districts lacking community facilities for educational purpose, to open up the school premises and share their facilities with the community.
		School social workers will identify and help students with academic, social or emotional problems maximise their educational opportunities and develop their potentials.
24	The work of the Family Commission, if set up, should take into account the needs of children and families from a disadvantaged background.	The Family Council was set up in December 2007 to discuss major issues from the family perspective, and consider the strategic directions and priorities in

No.	Recommendation	Progress
		formulating family-related policies.
25	Extend the Comprehensive Child Development Service ("CCDS") to all districts in phases and strengthen follow-up social services support to children and families at risk.	Currently, CCDS covers around half of the population in Hong Kong. The Administration will extend it to all 18 districts in 2012-13.
26	Strengthen parent education, with particular focus on the needs of the disadvantaged and hard-to-reach families	Ongoing. Apart from various parent education programmes provided/supported by EDB and SWD, training and guidance are also provided to the parents/guardians of children participating in CDF projects so that they can help their children draw up personal development plans.
27	Ensure the education system provides opportunities for children to learn and excel regardless of their socio-economic background, and to provide additional assistance to students with weak family support where appropriate.	The Pre-primary Education Voucher Scheme ("PEVS") provides fee subsidy for parents of children attending eligible local non-profit-making kindergartens regardless of their socio-economic background. Needy families may apply for additional fee assistance through the existing Kindergarten and Child Care Centre Fee Remission Scheme ("KCFRS"). Starting from the 2011/12 school year, a number of enhancement measures for KCFRS has been implemented so as to provide more assistance to needy families. In the 2012/13 school year, the fee remission ceilings for KCFRS (including the voucher subsidy) for half-day and whole-day kindergartens will be further adjusted in accordance with the weighted average fees of the non- profit-making kindergartens eligible for PEVS.
		A new cash subsidy scheme for Internet access charges has been implemented from the 2010/11 school year to enable needy students receiving full-time education at primary and secondary levels to access the Internet for learning at home.
		Starting from the 2011/12 school year, the income ceiling for full level of assistance under the means test mechanism of the Student Financial Assistance Agency applicable to all levels of study has been relaxed and the tiers of assistance for eligible post-secondary students have been adjusted so that more needy students can receive full or a higher amount of assistance under various financial assistance schemes.
		The amount of academic expenses grant to eligible post-secondary students and the flatrate grant under the School Textbook Assistance Scheme provided to eligible primary and secondary students have also been increased starting from the 2011/12 school year.

No.	Recommendation	Progress
		The Examination Fee Remission Scheme is extended to school candidates sitting for the Hong Kong Advanced Level Examination or the Hong Kong Diploma of Secondary Education Examination who are receiving either full or half level of assistance, needy school candidates sitting for the same examination for the second time in the immediate following year and eligible needy non-Chinese speaking students sitting for the General Certificate of Secondary Education (Chinese) Examination with effect from the 2011/12 school year.
		In tandem with the increase in flat rate grant under the School Textbook Assistance Scheme, corresponding adjustments have been made to the flat-rate grant for selected items of school-related expenses under the CSSA Scheme.
28	Promote school-based and community-based after-school programmes for primary and secondary students from disadvantaged families, through promoting intersectoral collaboration among schools and non-governmental/local community organizations.	Ongoing. EDB will continue to implement the School-based After-school Learning and Support Programmes which provides funding support for schools and NGOs to organise suitable programmes for disadvantaged students. The annual provision was increased from \$75 million to \$175 million in 2010-11, and was further increased to \$204 million in 2011-12 upon relaxation of the income threshold under the means test mechanism of the Student Financial Assistance Schemes.
		EDB rolled out the three-year After-school Learning Support Partnership Pilot Scheme in the second term of the 2011/12 school year. In this school term, 43 primary schools have participated and over 200 tutors have been engaged to provide after-school learning support to needy students.
29	Strengthen efforts to tackle the problem of non-engaged youths ("NEYs") and take into account the assessment conducted by the Task Force on Continuing Development and Employment-related Training for Youth.	ERB has launched a pilot Youth Training Programme ("YTP") in collaboration with he Vocational Training Council since the third quarter of 2008-09 to provide basic vocational and skills training for NEYs aged between 15 and 20 and help them better understand their career preferences. Job placement support services for six to nine months would be provided upon completion of the programme. Since the latter half of 2009-10, ERB has invited other training bodies to take part in YTP in order to widen the range of courses. Based on the experience from the pilot, ERB has devised a refined model, which comprises more preparatory and guidance activities to help NEYs land on jobs or pursue further studies. There are at present over 50 courses under YTP.

No.	Recommendation	Progress
30	Provide a more intensified form of assistance	Since 2006, SWD has been running a Special
	to youths who have remained on CSSA for a	Training and Enhancement Programme (My
	long period and cannot benefit from existing	STEP) to help long-term able-bodied
	programmes, and evaluate their needs in	unemployed CSSA recipients aged between
	order to provide targeted and timely	15 and 29 rejoin the workforce or return to
	assistance.	mainstream schooling.
		SWD will integrate various employment assistance services under the CSSA Scheme, including My STEP, starting from January 2013.

(IV) The Elderly

No.	Recommendation	Progress
31	Promote active and healthy ageing as an	Promoting active ageing
	integral part of the elderly policy to enhance their quality of life and to enable the elderly to live with dignity.	LWB and the Elderly Commission ("EC") have jointly launched the "Neighbourhood Active Ageing Project" ("NAAP") since early 2008 to promote active ageing. A total of 75 district projects contributing to this initiative have been completed. A new phase of the NAAP was launched in April 2012 to promote harmonious family relationship and enhance the neighbourhood support network through more than 60 district projects.
		Improving the home environment for the elderly
		SWD launched the Home Environment Improvement Scheme for the Elderly in June 2008 to help elders lacking family support and financial means improve their home environment. By the end of March 2012, some 47 000 applications had been received, and works for about 34 400 of them had been completed.
		Promoting life-long learning for elders
		LWB and the EC have jointly launched the Elder Academy Scheme since early 2007. In the 2011/12 school year, a total of 113 elder academies are operating in primary, secondary schools and tertiary institutions.
		An Elder Academy Development Foundation was set up to ensure the sustainable development of the scheme.
		Setting up a dedicated portal for the elderly
		A dedicated and user-friendly portal for the elderly was launched in June 2010 to provide information on elderly services and the silver hair market.

No.	Recommendation	Progress
32	Further improve our support systems for the elderly based on shared responsibility and financial sustainability, and consider more vigorous targeting in using public resources to take care of the elderly most in need of assistance.	Addressing the long-term care needs of elders The Government has accepted EC's recommendation to test the idea of a community care service ("CCS") voucher for the elderly. The Government will introduce a four-year pilot scheme on CCS voucher starting from 2013-14, under which subsidy will be provided directly to elders who have been assessed to be eligible for subsidised long-term care service. The Government will finalise the details of the pilot scheme this year.
		Strengthening housing support for families with elderly persons
		Under the new Harmonious Families Priority Scheme ("HFPS"), families may opt to live in one flat or two nearby flats in their chosen district(s), subject to flat availability. This helps foster harmonious familial relations and encourage families to support their elderly members. As at the end of May 2012, about 10 790 families had benefited from the HFPS.
		The eligibility criteria for elderly families under the Rent Assistance Scheme have been relaxed since August 2007. As at the end of May 2012, 11 678 public rental housing ("PRH") households were receiving rent assistance provided by the Hong Kong Housing Authority. About half of them are elderly households and they have been granted a rent reduction of 50%.
33	Enhance understanding of the problem of the elderly in poverty, including exploring ways to facilitate further poverty researches and analysis, e.g. the collection of health data or statistics to be taken into account in the longer-term development of a territory-wide health record infrastructure.	See item (8) above.
34	Strengthen efforts to reach out and identify "hidden" and singleton elders, bring them out of isolation, and refer those in need to the existing public support network, and better leverage on the existing resources including volunteers to address the needs of the hidden elderly.	Since January 2008, additional recurrent funding has been provided to all District Elderly Community Centres ("DECCs") and Neighbourhood Elderly Centres ("NECs") in the territory to recruit additional staff to enhance the outreach services provided for hidden and singleton elders.
		Since June 2008, further recurrent funding has been provided to all DECCs to recruit additional staff to strengthen their counselling and referral services.
		A total of 200 additional social worker posts have been created under these two new

No.	Recommendation	Progress
		initiatives. The elderly centres have made use of the additional resources to reach and support over 16 000 singleton or hidden elders. As at the end of December 2011, there were about 7 000 active cases in which hidden/singleton elders were receiving counseling and referral services provided by DECCs / NECs. It is expected that 2 000 new cases will be served every year.
35	Encourage social inclusion and participation of the elderly in society, and mobilise healthy retirees who are a valuable pool of human resources to help those who are needy in the community.	The above additional resources have enabled the DECCs and NECs to recruit more staff to mobilise volunteers, including "young-olds", for the outreach service. Elders are also recruited to help implement the NAAP projects mentioned in item (31) above.
36	Ensure equitable and affordable access to health care services and provide a safety net for the poor and vulnerable by putting in place sustainable health care financing arrangements as soon as possible.	FHB is taking forward various healthcare reform initiatives based on the outcomes of the second stage public consultation on healthcare reform, including formulating detailed proposals for the implementation of the Health Protection Scheme ("HPS"). By enabling more people to use private healthcare on a sustained basis, the HPS aims to better focus the public healthcare system on its target service areas.
37	Strengthen primary healthcare service for the elderly at the community level, including health promotion and preventive care, and make use of the private doctor network at the community level.	FHB launched a three-year Elderly Health Care Voucher Pilot Scheme in January 2009 to provide five health care vouchers of \$50 each per year to eligible elders aged 70 or above to partially subsidise them in using primary care services in the private sector. The Pilot Scheme has been extended for another three years starting from January 2012, with the annual voucher amount increased from \$250 to \$500 per eligible elderly in the extended pilot period.
		FHB will continue to implement various pilot projects through the Hospital Authority ("HA") to strengthen support for chronic disease patients, including the elderly, in the community.
		FHB has introduced the Elderly Vaccination Subsidy Scheme since 2009-10 to provide subsidy for eligible elders aged 65 and above to receive seasonal influenza and pneumococcal vaccinations at private doctors' clinics.
		A Task Force on Primary Dental Care and Oral Health has been set up under the Working Group on Primary Care to, among other things, provide advice on initiatives to promote and enhance primary dental care and oral health. FHB launched a pilot project in collaboration with NGOs for three years

No.	Recommendation	Progress
		starting from April 2011 to provide elderly people in residential care homes or day care centres with outreach primary dental care and oral health care services free of charge.
38	Improve the accessibility of subsidised medical service for non-CSSA recipients, in particular the elderly, through further improving the medical fee waiver mechanism, e.g. further simplify the procedures and lengthen the period waivers of the medical fee waiver mechanism.	The coverage of period waiver for the elderly has been extended to include services of the General Out-Patient Clinics without prescheduled appointment starting from March 2008. HA and SWD have further enhanced the medical fee waiver mechanism in February 2010. Patients who meet the eligibility criteria may be granted period waivers of up to 12 months.
39	Provide greater relief on medical fees for needy elders, whether they are on CSSA or not.	FHB is taking forward various healthcare reform initiatives based on the outcomes of the second stage public consultation on healthcare reform, including formulating detailed proposals for the implementation of the HPS. FHB will in parallel work on proposals for further strengthening the public healthcare safety net.
40	Facilitate elderly applicants to apply for PRH, and assist those living in private old buildings who are owner-occupiers but with low income.	Advance allocation of PRH flats to families with elderly members With effect from January 2009, priority is given to processing applications from families with elderly members under the HFPS. See also item (32) above. Elderly property owner-occupiers To assist elderly property owner-occupiers living in private dilapidated buildings, the Housing Authority has introduced, since 2004, arrangement to grant eligible elders with licences to stay in PRH under the Compassionate Rehousing Scheme as per SWD's recommendation. The licences will be turned into normal PRH tenancies upon the licencees' fulfilment of the eligibility criteria for the General Waiting List. As at the end of May 2012, 115 applicants had been housed pursuant to the above arrangement and 54 of them had had their licences converted to normal PRH tenancies.
41	Provide better long-term planning on the provision of subsidised residential care places for the elderly as well as community care services in the light of increasing demand from an ageing population.	It is the Government's policy to promote "ageing in place as the core, institutional care as back-up". To this end, we have been increasing the provision of subsidised CCS and residential care services ("RCS") for the elderly and enhancing the services.

No.	Recommendation	Progress
		On CCS, the Government had allocated funds from 2007-08 to 2011-12 to provide 2 000 additional places of CCS, including 1 500 home care places and 500 day care places. The Administration will provide an additional 185 day care places for the elderly in the three years starting from 2012-13, and will increase the Enhanced Home and Community Care Services places by 500 in the current financial year.
		At the same time, the Government has accepted EC's recommendation to test the idea of a CCS voucher for the elderly. (See also item (32) above).
		On RCS, in the past five years, the Government had allocated funds to provide 3 600 additional subsidised residential care places. More than 1 700 additional subsidised places are expected to commence service from now to 2014-15. The Government has also earmarked sites in 11 development projects for the construction of new contract RCHEs.
		LWB will continue to enhance the provision of subsidised elderly services.
42	Increase the choices of quality residential care places and community care services through a combination of measures – · consider whether the subsidised residential care service should be means-tested; · examine means to enable a greater extent of consequent of focus among the	The Government has accepted EC's recommendation to test the idea of a CCS voucher scheme for the elderly. (See also item (32) above).
	extent of co-payment of fees among the individuals, their families and the Government, including a means-tested voucher system and assistance to the needy in selecting different services; and	
	• encourage a more robust market comprising quality self-financing and private residential care homes for the elderly providing different services, as well as multiple sources of financing from the individuals and their families.	
43	Encourage further SE development in the provision of elderly services.	Out of the 128 SE projects approved under the ESR Programme (see item (14) above), 15 target at providing services to the elderly, such as health care services, cleaning and minor repair services, and the sale of products for use by the elderly.

No.	Recommendation	Progress
		In connection with the Home Environment Improvement Scheme for the Elderly launched in June 2008 (see item (31) above), SWD has provided a list of SEs and community organisations to the delivery agencies of that scheme and encouraged the delivery agencies to engage them as service providers.
		We expect the introduction of the CCS Voucher for elderly in 2013-14 to encourage different types of service providers, including SEs, to join the market, and will bring about a much more diverse and innovative community care sector.
44	Consider a more relaxed asset limit for elderly CSSA recipients on compassionate grounds, without changing the nature of CSSA as a scheme of last resort for those genuinely in need.	The CSSA asset limits have been adjusted upwards by 5.3% with effect from 1 February 2012. At present, the asset limits for elders are higher than those for ablebodied adults. The Administration will adjust the asset limits in accordance with the established mechanism.
45	Consider how to provide financial security for the future elderly generations as soon as possible, taking into account the outcome of the on-going study on the sustainability of the three pillars of retirement protection for Hong Kong, viz. the publicly funded CSSA and Old Age Allowance, the Mandatory Provident Fund schemes, and voluntary private savings.	CPU is refining its studies on the retirement protection system in Hong Kong. Action includes conducting a territory-wide household survey on Hong Kong elders' retirement planning and financial situation. Initial results of the survey are expected to be available by the end of 2012 at the earliest for detailed analysis. The Administration will consider the way forward after CPU has completed its studies.

(V) District-based Approach

No.	Recommendation	Progress
46	Enhance understanding of characteristics and needs of districts, and take them into account in formulating and implementing policies at the district level.	Ongoing. Updated indicators of poverty, including the community-based indicators, are sent to all relevant bureaux and departments regularly for reference. They are also available at LWB's website.
47	Provide more opportunities to less well-off districts, including physical infrastructure (community facilities), economic and employment opportunities, and enhanced measures.	Medical services In 2012-13, HA will allocate additional funds to enhance hospital services (e.g. increase the number of beds) in the New Territories West cluster and the Kowloon East cluster. It also piloted the "TSW Primary Care Partnership Project" in 2008 to purchase primary care services for TSW residents. Community facilities Over the past few years, more leisure, cultural and community hall facilities have been

No.	Recommendation	Progress
		provided in less well-off districts. For example:
		in TC, the Indoor Recreation Centre cum Library and Community Hall, and the Swimming Pool Complex opened in 2010 and 2011 respectively;
		in TSW, the indoor swimming pool and sports centre inside the Public Library cum Indoor Recreation Centre were opened in November 2011 and February 2012 respectively and the public library will be opened in 2013; the Sports Centre and Community Hall in Area 101 is expected to be completed in mid-2012; and
		in SSP, the conversion works of the secondary pool of Lai Chi Kok Park Swimming Pool into an indoor heated pool have been completed and the pool is expected to be re-opened in July 2012.
		More new facilities will be completed in the coming years.
		Employment and training opportunities
		The Hong Kong Housing Authority has let accommodation in a multi-storey car park building in Tin Heng Estate in TSW North to the Hong Kong Jockey Club for the setting up of a Telebet Centre cum Volunteers and Training Centre. At present some 2 000 workers are employed.
		As mentioned in item (11) above, a pioneer "Employment in One-stop" service centre was set up in TSW in December 2011 to streamline, integrate and enhance existing services of LD, SWD and ERB in this regard.
		The Construction Industry Council Training Academy ("CICTA") also established a training centre in TSW in September 2009. The centre can provide about 700 full-time training places for new entrants to various trades including steel-fixing, plumbing and painting. Basic safety training courses are also provided. Up to the end of May 2012, around 500 students had graduated from its full-time training courses and about 1 700 students had graduated from its basic safety training courses. CICTA has helped about 390 graduates secure employment within three months after graduation.
		As mentioned in item (14) above, some 128 SE projects have been approved under

No.	Recommendation	Progress
		HAD's ESR Programme, about half of which are being or will be implemented in less well-off districts.
48	Encourage district-based initiatives as necessary supplements to formal services provision through providing additional funding sources, better information dissemination of existing funding sources, as well as rationalising and streamlining different funding sources in the longer run.	Recent examples of district-based initiatives to help the needy and the disadvantaged include: **Short-term food assistance service projects run by NGOs commissioned by SWD to help individuals and families in need. In December 2011, an additional \$100 million was allocated for continuation and improvement of the service. As at the end of May 2012, about 88 000 people had benefited from the projects. **The District-based Scheme on Carer Training provides seed money for DECCs and NECs to organise training programmes for carers of elders and provide carer services in collaboration with local organisations. By the end of March 2012, more than 8 600 carers had been trained. **The pilot Neighbourhood Support Child Care Project ("NSCCP") was completed by SWD to provide needy families with more flexible forms of day care services for children aged under six. At the same time, it fosters mutual help and care in the community. The regularised NSCCP has been implemented since October 2011 and extended to all 18 districts.
49	Put in place suitable institutional structure for districts to escalate problems which cannot be dealt with at the district level to the Government so that policy barriers could be removed in a timely manner.	Since March 2008, a new internal mechanism for problem resolution has been put in place to deal with district problems requiring interdepartmental collaboration.
50	Strengthen the role of District Officers ("Dos") to enhance cross-sector collaboration to address district needs; this should be complemented by central policy support.	DOs have been provided with additional staffing resources to carry out various community involvement programmes to help strengthen their community network and further promote district administration. Separately, District Councils ("DCs") have been given greater flexibility since the new term of 2008-11 to use not more than 10% of its funds for employing contract staff to help launch community participation activities. So far, more than 200 people have been employed by the 18 DCs. DCs will also engage local organisations in launching the activities.

No.	Recommendation	Progress
51	Give DOs a clearer mandate to coordinate inter-departmental efforts at the district level on key concern areas relating to poverty alleviation and prevention, in order to better respond to local needs, remove local barriers and achieve greater impact.	With the additional staffing resources for DOs and funding for DCs to carry out community involvement programmes, both DOs and DCs will be in a better position to cater for district needs, including the needs of the underprivileged.
52	Encourage districts to strengthen their capacities through taking the essential steps in analysing and identifying genuine and unmet local needs, mapping out clear and longer-term directions, engaging stakeholders and encouraging cross-sector collaboration, and evaluating effectiveness of poverty alleviation and prevention programmes.	Ongoing. HAD will, through the DC committees and the District Management Committees, continue to work closely with district organisations to implement community projects, with a view to identifying and addressing the local needs, as well as creating a people-oriented network of care and mutual support.
53	Encourage the establishment of district-based platforms or mechanisms to identify district needs and responses, comprising Government officials, NGOs and district leaders.	There are established inter-departmental platforms in the districts to engage stakeholders in tackling poverty. HAB will continue to make use of the established platforms and networks to implement programmes which cater for the needs of the districts.

Source: Extract from the information paper provided by the Labour and Welfare Bureau in July 2012 (LC Paper No. CB(2)2589/11-12(01))

Recommendations of the Subcommittee on Poverty Alleviation under the Panel on Welfare Services of the Fourth Legislative Council

The Subcommittee recommends that the Administration should -

- (a) conduct a comprehensive review of the CSSA Scheme expeditiously, including -
 - (i) the items which should be classified as basic needs for the purpose of inclusion in the CSSA standard rates; and
 - (ii) recognising access to the computer facilities and the Internet is basic needs of students in receipt of CSSA;

with a view to ensuring that the different standard CSSA rates are adequate to meet the essential needs of different categories of recipients;

- (b) review the requirement for the elderly to apply for CSSA on a household basis;
- start the review on CRP before the end of the two-year programme so that CRP will be provided for needy students without interruption;
- (d) expedite the review of the DE arrangements, and further relax the DE arrangements so as to encourage those who can work to find and remain in employment;
- (e) consider removing the seven-year and one-year-continuous residence requirement under the CSSA Scheme;
- (f) extend the Transport Support Scheme to low-income workers in all districts:
- (g) consider providing tax credit for the working-poor households;
- (h) formulate a long-term plan and provide policy support to foster the development of SEs and advice on the operation of SEs;
- (i) stipulate in the government service contracts the requirement of employing a certain percentage of socially disadvantaged and local residents;

- (j) encourage SE operators to accord priority to employ local residents;
- (k) raise the amount of seed grants under the ESR Programme to facilitate the development of larger-sized SEs;
- (l) encourage the respective DOs to take a more proactive role in collaborating with DCs concerned, district organsiations and government departments to identify the needs of disadvantaged having regard to the unique situation and district profile, formulate targeted poverty alleviation initiatives as well as monitor the performance and effectiveness of the measures;
- (m) inject economic activities at the district level so as to create job opportunities for the low-income and low-skilled workers in the district concerned;
- (n) set performance targets for reducing poverty and evaluate the effectiveness of the poverty alleviation measures in achieving the targets; and
- (o) re-establish CoP to actively study and formulate long-term policies to alleviate the poverty problem.

Source: Extract from the Report of the Subcommittee on Poverty Alleviation of the Panel on Welfare Services (LC Paper No. CB(2)1760/09-10)

Subcommittee on Poverty

Terms of reference and work plan

Terms of reference

To study relevant policies and measures to ease the disparity between the rich and the poor and alleviate poverty, follow up the work of the Government's Commission on Poverty and make timely recommendations.

Work plan

The Subcommittee will focus its work on the following areas -

- (a) to study policies and measures relating to alleviation of the disparity between the rich and the poor and poverty;
- (b) to monitor and follow up the work of the Government's Commission on Poverty; and
- (c) to put forward improvement proposals in respect of the difficulties faced by the needy and various impoverished groups.

Appendix V

Relevant papers on poverty alleviation

Committee	Date of meeting	Paper
Subcommittee to Study the Subject of Combating Poverty	-	Report on Working Poverty (LC Paper No. CB(2)1002/05- 06) Report on Women in Poverty (LC Paper No. CB(2)2295/05- 06) Report on Elderly in Poverty (LC Paper No. CB(2)2048/06- 07) Report on Development of Social Enterprise (LC Paper No. CB(2)2390/07-08)
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	5 March 2009	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	6 April 2009	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	15 May 2009	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	9 June 2009	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	7 July 2009	Agenda Minutes

Subcommittee on Poverty Alleviation of the Panel on Welfare Services	30 November 2009	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	21 January 2010	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	25 February 2010	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	31 March 2010	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	4 May 2010	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	31 May 2010	Agenda Minutes
Subcommittee on Poverty Alleviation of the Panel on Welfare Services	-	Report of the Subcommittee to the House Committee (LC Paper No. CB(2)1819/09-10)
Panel on Financial Affairs	29 November 2010 (Item IV)	<u>Minutes</u>
Panel on Manpower	17 February 2011 (Item IV)	<u>Minutes</u>
Panel on Welfare Services	11 July 2011 (Item V)	Minutes

Panel on Welfare	9 January 2012	<u>Agenda</u>
Services	(Item V)	<u>Minutes</u>
Panel on Welfare	10 July 2012	<u>Minutes</u>
Services	(Item III)	
Panel on Welfare	22 October 2012	<u>Agenda</u>
Services	(Item I)	

Council Business Division 2 <u>Legislative Council Secretariat</u> 2 November 2012