

政府總部
勞工及福利局
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LABOUR AND WELFARE BUREAU
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(Translation)

16 July 2021

Ms Masie LAM
Clerk to the Legislative Council Panel on Welfare Services
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms LAM,

**Legislative Council Panel on Welfare Services
Follow-up to Meeting on 21 June 2021**

The Legislative Council Panel on Welfare Services discussed the item 'Analysis of poverty situation in Hong Kong in 2019' at its meeting on 21 June 2021. Members requested the Government to provide supplementary information. Having consulted the Civil Service Bureau (CSB), our response is set out as follows –

Job Creation Scheme

According to the information provided by CSB, in order to relieve the unemployment situation due to the epidemic and the anti-epidemic measures, the Government has earmarked \$6.6 billion under the Anti-epidemic Fund in 2020 to create around 30 000 time-limited jobs in the public and private sectors within two years for people of different skill sets and academic qualifications. In view of the persistently high unemployment rate, the Government announced in the 2021-22 Budget in February 2021 to further allocate \$6.6 billion to create around 30 000

additional time-limited jobs. Around 60 000 time-limited jobs in total will be created for the local labour market under the two rounds of the Job Creation Scheme.

At present, over 50 000 jobs have been created under the two rounds of the Job Creation Scheme while more than 29 000 jobs have been filled. CSB will continue to co-ordinate the work with relevant bureaux/departments and strive to create the 60 000 time-limited jobs as soon as possible with a view to alleviating the current unemployment situation on one hand and creating favourable conditions for speedy and extensive recovery of the labour market after the epidemic, thereby regaining the momentum of Hong Kong's economy, on the other hand. CSB does not maintain record on the gender and ethnic origin of the employees under the Job Creation Scheme.

Old Age Living Allowance

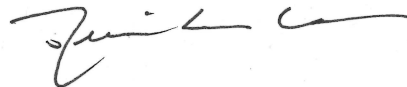
The Chief Executive (CE) announced in January 2020 the proposals of combining the Normal Old Age Living Allowance (OALA) and the Higher OALA and adopting the higher payment rate, as well as relaxing the asset limits of the OALA. Subsequently, the CE announced in the 2020 Policy Address Supplement that, in light of the significant financial implications of the aforementioned OALA enhancements, the timing of implementation will be reassessed.

The effectiveness of the enhancements on poverty alleviation depends on an array of factors, such as possible changes in asset value of elderly persons and the relative poverty line thresholds under different macro-economic conditions, which may in turn affect the number of persons that could be benefitted from the OALA and lifted out of poverty. Therefore, it would be difficult to gauge an accurate estimation on the poverty alleviation effect of the enhancements. As background information, according to the Hong Kong Poverty Situation Report 2019, the OALA, at its existing form, reduced the overall poverty rate by 2.2 percentage points, with around 150 000 people lifted out of poverty, and reduced the elderly poverty rate by 8.4 percentage points.

Comprehensive Social Security Assistance Scheme

The Comprehensive Social Security Assistance (CSSA) Scheme renders assistance to those who cannot support themselves financially to meet their basic needs. Having regard to the impact of the pandemic, the Government has disregarded the cash value of insurance policies of able-bodied applicants as assets on a time-limited basis under the CSSA Scheme. Specifically, for able-bodied applicants submitting their applications within the six months from 1 April to 30 September 2021, all insurance policies owned by them, irrespective of the cash value, are disregarded as asset during the one-year grace period. In the past year or so, the number of CSSA unemployment cases increased significantly. As at end-May 2021, there were 19 673 CSSA unemployment cases (increased by 56 per cent from early 2020). This shows that the CSSA Scheme has been serving its function as the safety net effectively and can continue provide support to unemployed persons who face temporary economic hardship.

Yours sincerely,



(Derrick CHOW)
for Secretary for Labour and Welfare

c.c. Secretary for the Civil Service
(Attn: Ms Linda LAM)
Chief Secretary for Administration's Private Office
(Attn: Mr Emmanuel LAM)
Director of Social Welfare
(Attn: Miss Rita LAU)