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Subcommittee to Study the Subject of Combating Poverty

Paper prepared by Legislative Council Secretariat

Work plan for 2006-07 session

Purpose

This paper provides a brief on the work in progress and invites members' suggestions on further study areas for 2006-07 session.

Background

2. In February 2005, a list of possible study areas and discussion topics was drawn up for the Subcommittee's consideration (**Appendix I**). Research studies were conducted on the definitions of poverty, causes/situation of poverty in Hong Kong, benchmarks for granting subsidies or financial assistance to people in need in Hong Kong, poverty combating strategies in selected overseas countries, and social security system for retirement protection in selected overseas countries. Background briefs and information papers were also prepared on past discussions by Members on the subjects on poverty. These research reports and information papers were discussed by the Subcommittee in 2005 and 2006. The list of research studies and information papers discussed is in **Appendix II**.

3. The Subcommittee had also met with non-government organisations, academics, business sectors and other interested parties to gauge their views on the situation of poverty in Hong Kong and the various measures required to alleviate the problems faced by different groups of people in poverty.

4. At its internal meeting on 12 July 2005, the Subcommittee agreed to accord priority to the study of two topics, i.e. working poverty and women in poverty. The Report on Working Poverty and the Report on Women in Poverty were presented to the Legislative Council (LegCo) and debates were held on these reports on 15 February and 5 July 2006 respectively.

Follow-up on the Subcommittee's two reports

Report on Working Poverty

5. The Subcommittee is following up with the Commission on Poverty (CoP) and relevant bureaux/departments the implementation of the recommendations in the Report on Working Poverty which was tabled in Council on 15 February 2006. At the meeting on 22 June 2006, the following recommendations in the Report were discussed –

- (a) developing the economy and creating employment opportunities;
- (b) providing community support and developing local economies;
and
- (c) reviewing the contracting-out arrangements for Government services.

6. The Subcommittee will continue to discuss with CoP the other recommendations in the Report at the meetings scheduled for 18 July and 5 October 2006. These other recommendations are –

- (a) safeguarding employees' benefits;
- (b) enhancing the competitiveness of the working poor through education and training;
- (c) providing financial assistance to the working-poor households (including the provision of transport subsidy);
- (d) providing support services for working-poor households; and
- (e) enabling community participation and empowerment of the working poor in formulating strategies to reduce working poverty.

Report on Women in Poverty

7. The Report was tabled in Council on 5 July 2006. The Subcommittee will follow up with the Administration the implementation of recommendations in the Report. As the Report contains 21 recommendations which involve various bureaux and organisations, it is envisaged that two or three meetings may have to be scheduled to discuss these recommendations. The first of these meetings is scheduled for 5 October 2006.

Study on the elderly in poverty

8. The Subcommittee agreed at its meeting on 22 June 2006 that it would start the study on the elderly in poverty in September/October 2006. The Subcommittee has requested the LegCo Secretariat to provide a background paper on the past discussions by Members on the subject. The paper will be ready for the Subcommittee's consideration by September/October 2006.

9. Depending on the scope of the proposed study and the additional research or information requested by members, it is expected that the study will take about three months to complete.

Monitoring of the work of the Commission on Poverty

10. The Subcommittee will continue to hold meetings in 2006-07 with CoP to monitor its progress of work, and to exchange views with CoP on its initiatives and work programmes.

Remaining issues on the list of possible study areas/discussion topics

11. Most of the issues on the list of possible study areas and discussion topics prepared in February 2005 (Appendix I refers) have been discussed by the Subcommittee. For some of these issues, research reports and information papers have been prepared and considered by the Subcommittee (Appendix II refers). Various committees of the LegCo have also discussed issues on the list.

12. A summary of discussions by the Subcommittee and other committees of LegCo is in **Appendix III**.

13. The three study areas (i.e. working poverty, women in poverty and elderly in poverty) selected for study by the Subcommittee are targetted at specified sectors of the population.

14. There are three other sectors of population on the list, i.e. children and youth, new immigrants and people with disabilities.

15. On children and youth, CoP has set up a task force to take forward the work relating to reducing the risks of intergenerational poverty. The Administration has briefed the Subcommittee on some initiatives announced in the Policy Address of the Chief Executive, such as the Head Start Programme and the School-based After-school Learning and Support Programme. The

Subcommittee on Review of the CSSA Scheme formed under the Panel on Welfare Services has also discussed the basic needs of children with welfare organisations and the Administration.

16. On new immigrants, their characteristics and problems have been covered in the studies on working poverty and women in poverty. Apart from the general recommendation in the Report on Working Poverty that more support should be provided to new immigrants to assist them in finding employment and integrating into the community, a specific recommendation is made in the Report on Women in Poverty that the seven-year residence requirement for public housing and CSSA payments should be relaxed. A Taskforce was set up in 2003 under the Chief Secretary for Administration to study the changes in demographic structure and the policies to respond to such changes. It is expected that a report will be released by the Task Force this year.

17. As regards people with disabilities, a subcommittee was formed under the House Committee in November 2005 to study the transport needs of and the provision of concessionary public transport fares for persons with disabilities. The Panel on Welfare Services is also discussing with the Administration the provision of residential care services and financial assistance for the disabled, and measures to enhance the employment of the disabled.

Suggestions on new topics for study

18. The LegCo Secretariat has not received suggestions from members on new topics for study by the Subcommittee.

Advice sought

19. Members are invited to give views on the work plan of the Subcommittee in 2006-07 session.

Council Business Division 2
Legislative Council Secretariat
17 July 2006

Subcommittee to Study the Subject of Combating Poverty

Possible study areas/discussion topics

(as at 23 February 2005)

- (a) definitions of 'poverty' and different benchmarks adopted by various government departments in granting subsidies or financial assistance to the people in need;
- (b) the situation of poverty in Hong Kong;
- (c) impact of economic changes/policies on the problem of poverty;
- (d) labour and wages (employment opportunities, vocational training, employment support and re-training, minimum wage, etc.);
- (e) adequacy of the existing social security systems;
- (f) working poverty;
- (g) assistance to the elderly (medical services, Old Age Allowance, transport subsidy, family and community support services, etc.);
- (h) assistance to children and youth (education and development, health, youth guidance, etc.);
- (i) assistance to women with low income and support to single parent families;
- (j) assistance to people with disabilities (employment opportunities, facilities for the disabled, transport subsidies, etc.);
- (k) policy on new immigrants (population policy, integration into community, etc.);
- (l) partnership with the business sector and non-government organisations;
and
- (m) setting up of trust fund(s) to assist those in need by the commercial sector;
- (n) community efforts; and
- (o) review of the taxation system.

Appendix II

List of research studies and information papers discussed by the Subcommittee to Study the Subject of Combating Poverty

Research studies

- Fact sheet prepared by Research and Library Services Division (RLSD) of LegCo Secretariat on “Gini Coefficient” [LC Paper No. FS 07/04-05]
- Fact Sheet prepared by RLSD of LegCo Secretariat on “Definitions of poverty” [LC Paper No. FS 10/04-05]
- Information note prepared by RLSD of LegCo Secretariat on “Situation of poverty in Hong Kong” [LC Paper No. IN 22/04-05]
- Information note prepared by RLSD of LegCo Secretariat on “Causes of poverty in Hong Kong: a literature review” [LC Paper No. IN16/04-05]
- Research report on “Poverty Combating Strategies in Selected Places” provided by Research and Library Services Division of LegCo Secretariat [LC Paper No. RP05/04-05]
- Additional information provided by RLSD on “Poverty Combating Strategies in Selected Places” [LC Paper No. CB(2) 2327/04-05]
- Research report provided by RLSD of LegCo Secretariat on “Benchmarks for granting subsidies or financial assistance to people in need in Hong Kong” [LC Paper No. RP07/04-05]
- Information note provided by LegCo on “Poverty combating strategy in South Korea” [LC Paper No. IN 34/04-05]
- Information note provided by LegCo on “The European Union’s Strategy of Combating Poverty and Social Exclusion” [LC Paper No. IN35/04-05]
- Research report provided by RLSD of LegCo Secretariat on “Social security system for retirement protection in selected places” [LC Paper No. RP09/04-05]
- Follow-up to research report provided by RLSD of LegCo Secretariat on “Benchmarks for granting subsidies or financial assistance to people in need in Hong Kong” [LC Paper No. CB(2) 2664/04-05(01)]
- Fact Sheet prepared by RLSD of LegCo Secretariat on “Historical development of retirement schemes in Hong Kong” [LC Paper No.FS18/04-05]

- Fact Sheet prepared by RLSD of LegCo Secretariat on “Causes of women’s poverty” [LC Paper No.FS07/05-06]
- Information note prepared by RLSD of LegCo Secretariat on “Income shortfall of a low-income non-Comprehensive Social Security Assistance household living in a private domestic unit” [LC Paper No. IN 18/05-06]

Information papers

- Background brief prepared by LegCo Secretariat on “Combating poverty” [LC Paper No. CB(2) 304/04-05(03)]
- Paper prepared by LegCo Secretariat on “Proposed study areas and work plan” [LC Paper No. CB(2) 583/04-05(01)]
- Paper prepared by the LegCo Secretariat on “Follow-up to suggestions on the work plan of the Subcommittee” [LC Paper No. CB(2) 1097/04-05(01)]
- Paper for the internal meeting on 12 July 2005 : Work Plan of the Subcommittee [LC Paper No. CB(2) 2219/04-05(01)]
- Background brief prepared by the LegCo Secretariat on “Working poverty” [LC Paper No. CB(2) 6/05-06(01)]
- Discussion paper prepared by LegCo Secretariat on “Statistics on employment and household income” [LC Paper No. CB(2) 505/05-06(01)]
- Report prepared by LegCo Secretariat on “Working poverty” [LC Paper No. CB(2) 1002/05-06]
- Background brief prepared by LegCo Secretariat on “Women in poverty” [LC Paper No. CB(2) 1215/05-06]
- Information paper prepared by LegCo Secretariat on “Transport subsidy to the working poor” [LC Paper No. CB(2) 1355/05-06(01)]
- Information paper prepared by LegCo Secretariat on “Supplementary information on the subject of women in poverty” [LC Paper No. CB(2) 1785/05-06(01)]
- Report prepared by LegCo Secretariat on “Women in poverty” [LC Paper No. CB(2) 2295/05-06]

**Discussions by Members on issues related to the list of study areas/discussion topics of
the Subcommittee to Study the Subject of Combating Poverty
(from November 2004 to June 2006)**

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
<p>Definition of “poverty” and different benchmarks adopted by various government departments in granting subsidies or financial assistance to the people in need (item (a) in Appendix I)</p> <p>Situation of poverty in Hong Kong (item (b) in Appendix I)</p> <p>Impact of economic changes/policies on the problem of poverty (item (c) in Appendix I)</p>	<p>Subcommittee to Study the Subject of Combating Poverty (23 February, 19 May and 23 June 2005)</p>	<p>Research studies were conducted on the definitions of poverty, causes/situation of poverty in Hong Kong, benchmarks for granting subsidies or financial assistance to people in need in Hong Kong, poverty combating strategies in selected overseas countries.</p>	

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
Labour and wages (item (d) in Appendix I)	Manpower Panel (18 November 2004)	Proposal for prescribing the maximum number of working hours	The Administration considered that it was more appropriate for the Labour Advisory Board to study the issue and to work out its own work plan.
	Manpower Panel (2 December 2004 and 17 March 2005)	Standard employment contract for use by government service contractors in employing non-skilled workers	The Panel was briefed on the standard employment contract for use by government service contractors in employing non-skilled workers.
	Manpower Panel (26 April 2005)	Work Trial Scheme (WTS) to be launched by the Labour Department	The Administration would conduct a review on WTS six months after its implementation in June 2005.
	Subcommittee to Study the Subject of Combating Poverty		The issues of minimum wage, maximum working hours, safeguarding employees' benefits, vocational training and retraining, employment support, and monitoring of contractors had been discussed during the Subcommittee's studies on working poverty and women in poverty.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
Adequacy of the existing social security systems (item (e) in Appendix I)	Subcommittee on Review of CSSA (17 February 2005)	Household expenditure survey on CSSA households Response to the basic needs study conducted by the Hong Kong Council of Social Service	
	Subcommittee on Review of CSSA (23 June 2005)	Evaluation study of the Intensive Employment Assistance Projects for CSSA and near-CSSA recipients	The Administration was requested to consider providing more flexibility to the NGOs to use the Temporary Financial Aid and abolishing the measure of allowing no disregarded earnings for all categories of recipients in the initial determination of eligibility and in cases which had been on CSSA for less than three months.
	Subcommittee on Review of CSSA (24 May, 22 July, 31 October and 22 November 2005)	“New Dawn” Project - revised proposals for single parent recipients under CSSA Scheme	The Administration proposed that single parents and other child carers on CSSA with the youngest child aged 12 to 14 would be required to seek at least part-time employment (not less than 32 hours a month). The Administration was urged to revise the proposal to help single parents/family carers achieve self-reliance.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
	Subcommittee on Review of CSSA (22 July 2005)	Annual adjustment of the standard payment rates under the CSSA Scheme and the SSA Scheme	
	Subcommittee on Review of CSSA (28 February 2006)	Basic needs of the elderly, the disabled and children and the provision of long-term supplement	The Subcommittee on Review of CSSA would continue to discuss the basic needs of the needy.
	Subcommittee to Study the Subject of Combating Poverty (21 July 2005)	Research studies were conducted on social security system for retirement protection in selected overseas countries.	
	Subcommittee to Study the Subject of Combating Poverty (17 March 2006)		The Subcommittee to Study the Subject of Combating Poverty discussed the provision of second safety net at the meeting.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
Working Poverty (item (f) in Appendix I)	Council meeting (15 February 2006)	Motion debate on “Implementation of the recommendations of Report on Working Poverty”	<p>The Subcommittee to Study the Subject of Combating Poverty has presented its Report on Working Poverty to the House Committee on 10 February 2006. A motion urging the Administration to implement the recommendations of the Report was passed at the Council meeting on 15 February 2006.</p> <p>The Subcommittee met/will meet with the Administration and the Commission on Poverty (CoP) to discuss the implementation of the recommendations of the Report on Working Poverty on 22 June, 18 July and 5 October 2006.</p> <p>The Subcommittee noted that CoP had discussed “Work incentives for working poor – transport support for those living in remote areas” and “Work incentives for working poor – disregarded earnings” at its meetings on 27 March 2006 and 13 June 2006 respectively.</p>

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
			The Subcommittee noted that CoP had established the Task Force on District-based Approach to follow up work relating to the district-based approach to alleviate and prevent poverty.
Assistance to the elderly (item (g) in Appendix I)	Welfare Services Panel (13 December 2004)	Provision of infirmary care for elders in a non-hospital setting	The Panel was briefed on SWD's initiative to start a trial scheme to provide subsidised infirmary care services for medically stable infirm elders in a non-hospital setting.
	Council meeting (23 February 2005)	Motion debate on "Taking forward the issues of concern to the elderly"	
	Welfare Services Panel (20 April 2005)	Extending the Portable Comprehensive Social Security Assistance (PCSSA) to Fujian Province to CSSA recipients aged 60 or above, relaxing the "three-year-on-CSSA" rule for PCSSA and relaxing the annual permissible limit of absence	The Administration was requested to review the proposal of further relaxing the annual absence limit for the OAA to 360 days one year after the implementation of the 240-day absence limit for OAA.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
		from Hong Kong for the Old Age Allowance (OAA) and Disability Allowance under the CSSA Scheme from the present 180 days to 240 days	
	Welfare Services Panel (13 June 2005)	Meeting with deputations to discuss social security assistance for needy elders in Hong Kong	<p>The Panel urged the Administration to re-consider the establishment of a mandatory contributory pay-as-you-go Old Age Pension Scheme to provide better retirement protection for all older persons in Hong Kong.</p> <p>The Administration was requested to brief the Panel before the end of 2005 about its thinking on how better to provide retirement protection.</p>
	Subcommittee to Study the Subject of Combating Poverty (21 July 2005)	Meeting with deputations to discuss social security system for retirement protection	The Subcommittee noted that the Central Policy Unit (CPU) was developing a research agenda on financial security in old age. Some members hoped that the Subcommittee would discuss CPU's findings when they were available.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
	Welfare Services Panel (5 September 2005)	Meeting with deputations to discuss residential care services for the elderly	The Panel urged the Administration to work out the work plan on developing a comprehensive policy on long term care services for the elderly. The Panel would consider setting up a subcommittee to study long term care services for the elderly after one of the subcommittees formed under the Panel had completed its work
	Welfare Service Panel (8 June 2006)	Meeting with deputation to discuss assistance to elderly not receiving CSSA	
	Subcommittee on Review of CSSA (26 June 2006)	Meeting with deputations to discuss difficulties faced by the poor elderly in applying for CSSA	
	Council meeting (28 June 2006)	Motion debate on “Policy on care for the elderly”	
	Subcommittee to Study the Subject of Combating Poverty	Study on the elderly in poverty	The Subcommittee to Study the Subject of Combating Poverty has requested the LegCo Secretariat to provide a

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
	(September/October 2006)		<p>background paper on the past discussions by Members on the subject.</p> <p>The Subcommittee noted that CoP had discussed CoP had discussed “Elderly in poverty” at its meeting on 13 June 2006.</p>
Assistance to children and youth (item (h) in Appendix I)	Subcommittee on Review of CSSA (10 January 2005)	Meeting with deputations to discuss basic needs of children	The Subcommittee passed a motion requesting the Administration to include five basic need items for children proposed by the Hong Kong Council of Social Service in determining the CSSA payment rates for children and to immediately reinstate the long-term supplement so as to make up for the shortfalls of the existing payment rates in meeting the basic needs of children.
	Subcommittee to Study the Subject of Combating Poverty (22 March 2005)	Head Start Programme	Subject to a review of the programme, the Administration would extend the programme to other communities in phases.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
	Subcommittee to Study the Subject of Combating Poverty (19 May 2005 and 22 June 2006)	School-based after school learning and support programme	The Subcommittee was briefed on the progress of the implementation of the programme.
	Subcommittee to Study the Subject of Combating Poverty (25 January 2006)	Progress of work of the Commission on Poverty	The Subcommittee noted that CoP had formed a Task Force on Children and Youth to take forward the work relating to reducing the risk of intergenerational poverty.
	Manpower Panel (21 March 2006)	Training and employment programmes for youths offered by the Labour Department	The Panel discussed on the progress of the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme offered by the Labour Department.
Assistance to women in poverty (item (i) in Appendix I)	Welfare Services Panel (9 May 2005)	Meeting with deputations to discuss assistance to women in poverty	
	Council meeting (5 July 2006)	Motion debate on “Implementation of the	The Subcommittee to Study the Subject of Combating Poverty has

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
		recommendations of Report on Women in Poverty”	<p>presented its Report on Women in Poverty to the House Committee on 23 June 2006. A motion debate urging the Administration to implement the recommendations of the report took place at the Council on 5 July 2006.</p> <p>The Subcommittee to Study the Subject of Combating Poverty will meet with the Administration and CoP to discuss the implementation of the recommendations of the report. The first of these meetings is scheduled for 5 October 2006.</p>
Assistance to people with disabilities (item (j) in Appendix I)	Welfare Services Panel (10 January 2005)	Support and assistance for tetraplegic patients living in the community	<p>The Panel passed a motion demanding the Administration to provide a safety net to tetraplegic patients not entitled to CSSA.</p> <p>At the request of the Panel, the Administration agreed to put forward the proposal of introducing a social insurance scheme for people with disabilities to the Working Group on the Rehabilitation Programme Plan</p>

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
			2005 for consideration.
	Welfare Services Panel (20 April 2005)	Provision of a monthly supplement to CSSA recipients who are 100% disabled, or who require constant attendance and are not living in institutions	
	Council meeting (19 October 2005)	Motion debate on “Facing up to the needs of people with disabilities in using transport”	
	Joint meeting of Welfare Services Panel and Manpower Panel (6 July 2006)	Measures to promote employment opportunities for people with disabilities	
	Subcommittee to Study the Transport Needs of and Provision of Concessionary Public Transport Fares for Persons with Disabilities		The Subcommittee was formed by the House Committee on 18 November 2005 to study the transport needs of and the provision of concessionary public transport fares for persons with disabilities.

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
Policy on new immigrants (item (k) in Appendix I)	Subcommittee to Study the Subject of Combating Poverty		The characteristics and problems of new immigrants have been covered in the studies on working poverty and women in poverty. Apart from the general recommendation in the Report on Working Poverty that more support should be provided to new immigrants to assist them to find employment, a specific recommendations is made in the Report on Women in Poverty that the seven-year residence rule for public housing and CSSA payments should be relaxed.
	Subcommittee on Review of CSSA (8 April 2005 and 19 July 2006)	Seven-year residence requirement for CSSA Scheme	
Partnership with the business sector and NGOs (item (l) in Appendix I)	Welfare Services Panel (10 January 2005 and 8 May 2006))	Progress Report of the Community Investment and Inclusion Fund	

Issue	Committee (Date of meeting)	Discussion items of committee	Remarks
<p>Partnership with the business sector and NGOs (item (l) in Appendix I)</p> <p>Setting up of trust funds (item (m) in Appendix I)</p> <p>Community efforts (item (n) in Appendix I)</p>	<p>Subcommittee to Study the Subject of Combating Poverty (25 January, 17 March 22 and June 2006)</p>		<p>The Subcommittee to Study the Subject on Combating Poverty discussed the district-based approach of CoP in poverty alleviation work, the development of social enterprise in Hong Kong; and the launching of the Enhancing Self-reliance through District Partnership Programme by the Home Affairs Department.</p>
<p>Review of taxation system (item (o) in Appendix I)</p>	<p>Council meeting (15 February and 24 May 2006)</p>	<p>Motion debates on “Reducing the salaries tax” and “Effective utilisation of fiscal surplus”</p>	
	<p>Subcommittee to Study the Subject of Combating Poverty</p>		<p>In its Report on Working Poverty, the Subcommittee recommended that that Administration should make reference to the Tax Credit system in UK and provide financial assistance to low-income households.</p>