

(Translation)

**Motion on
“Alleviating poverty”
moved by Hon CHAN Yuen-han
at the Council meeting of 14 November 2012**

Motion as amended by Hon Frederick FUNG, Hon TAM Yiu-chung and Hon Albert HO

That, the seriously lopsided social and economic policies in the past have led to the worsening of the disparity between the rich and the poor, continuous increase in the population in poverty and aggravation of class conflicts in society; since the 1970s, the Census and Statistics Department has computed the Gini Coefficient based on household incomes, and the latest Gini Coefficient announced in June this year reached 0.537, which hit a new record high in 40 years, indicating a worsening trend in the disparity between the rich and the poor, and reflecting the failure of the Government’s poverty alleviation measures to achieve their effectiveness in the past; while the current-term Government has decided to establish the Commission on Poverty, demonstrating its intention of alleviating the poverty situation in Hong Kong, the authorities must formulate comprehensive and long-term policies to allocate social resources and wealth effectively and narrow the gap between the rich and the poor, and must also conduct studies on opening up new resources for poverty alleviation; in this connection, this Council urges the Government to:

- (a) request the Commission on Poverty to commence work as early as possible and report regularly to the Legislative Council on its work progress;
- (b) expeditiously establish a poverty line, so that the Government and the society may compile statistics on the number of people in poverty and assess the effectiveness of poverty alleviation measures by means of objective and open criteria, and set up an evaluation mechanism to examine the possible impact of all policies and measures of the Government on the disparity between the rich and the poor before their introduction;
- (c) introduce new poverty alleviation measures, including the provision of employment living allowance, to assist the working poor;
- (d) comprehensively review the Comprehensive Social Security Assistance (‘CSSA’) system, including the Social Security Assistance Index of

Prices and the amount of rent allowance, etc., and introduce the concept of a second safety net on top of the CSSA system; and

- (e) improve the economic structure, develop a diversified economy, and improve the tax regime by, for example, exploring the introduction of a capital gains tax, and implementing a progressive profits tax system under which higher rates of tax apply to organizations reaping huge profits, with a view to increasing tax revenue and meeting new expenditure for poverty alleviation;

Employment assistance -

- (f) through the promotion of the local community economy and active support for social enterprises, etc., create more jobs suitable for grassroot workers;
- (g) comprehensively strengthen the in-service training for the middle-aged and the employment training for young people, increase the number of retraining places, and raise the amounts of subsidies for continuing education;
- (h) strengthen the assistance for ethnic minorities in securing employment and resolving their livelihood difficulties, including establishing additional community support service centres for ethnic minorities, reviewing the entry requirement in respect of Chinese language proficiency for civil service posts, and employing more ethnic minorities as civil servants;
- (i) comprehensively strengthen child care and after-school care services, and extend the scope of the plans subsidizing child care services, so as to enable parents of low-income families to go out to work without worries;

Financial assistance -

- (j) improve the existing Old Age Allowance ('OAA') system, including abolishing the existing asset and income test for application for Normal OAA, allowing elderly recipients of Disability Allowance to receive OAA at the same time, and expeditiously implementing the 'Guangdong Scheme' and extending it to Fujian Province;
- (k) extend the service scope of the subsidy for dental services for the elderly programme under the Community Care Fund and relax its eligibility requirements;

- (l) set up a 'subsidy system for carers of persons with disabilities', so as to mitigate the impact on the livelihood of carers due to their inability to go out to work;
- (m) introduce 'healthcare vouchers for children', so as to mitigate grassroots families' burden arising from their children's healthcare expenses;
- (n) provide full level of assistance to all students who have passed the means test under the Student Travel Subsidy Scheme;
- (o) reduce the burden of loan interest on students, set an interest rate ceiling for the Non-means Tested Loan Scheme at 2.5%, and replace the means-tested loans with interest-free loans;
- (p) build more public rental housing flats and provide rent allowance to assist applicants on the Waiting List who meet the income and asset requirements;
- (q) formulate a comprehensive policy on poverty eradication;
- (r) conduct studies on implementing negative income tax in order to provide subsidies to low-income people, so as to assist them in getting out of poverty; and
- (s) establish a comprehensive retirement protection system to ensure basic protection for the livelihood of the elderly, so as to improve the situation of elderly poverty.