

For discussion  
on 22 March 2013

**House Committee of the Legislative Council**

**Report on the work of  
the Commission on Poverty and  
the Steering Committee on Population Policy**

**Purpose**

This paper aims to brief Members on the work of the following two committees:

- (a) the Steering Committee on Population Policy; and
- (b) the Commission on Poverty (including the injection of fund into the Community Care Fund proposed in the 2013-14 Budget).

**The Steering Committee on Population Policy**

2. The Steering Committee on Population Policy (SCPP) was revamped in late 2012 to include academics, professionals and experts in various sectors as non-official members. Together with the heads of relevant bureaux and departments, the SCPP examines the economic and social challenges our population is facing, explore practicable strategies and formulate policy measures.

*Examining the Projected Demographic Data for the Next 30 Years*

3. Following its revamp, the SCPP held meetings on 18 January and 26 February 2013. Having examined the projections of Hong Kong's demographic structure for the next 30 years, the SCPP considers that the following issues warrant special attention:

- (a) Hong Kong's population growth is slowing down. The population is projected to increase from 7.15 million in mid-2012 to 8.47 million in mid-2041, with an annual average growth rate at 0.6%. In particular, the annual average growth rate is projected to decrease to 0.4% in the 10-year period between 2031 and 2041, lower than the annual average growth rate at 0.7% in the past five years. During the same period, the number of elderly people

aged 65 and above will increase significantly from 0.98 million last year to 2.56 million in 2041, whilst the elderly dependency ratio will drop from five working age persons (i.e. aged 15 to 64) to one elderly person, to two to one. In addition, the average life expectancy is projected to increase to 84.4 years for male and 90.8 years for female in 2041;

- (b) since the local fertility rate has remained persistently at a very low level<sup>1</sup> during the past two decades, and our post-war baby boomers are approaching retirement age, we project that the workforce will begin to shrink after 2018, from 3.55 million in 2018 down to 3.39 million in 2041;
- (c) Hong Kong's Labour Force Participation Rate (LFPR) was 57.9% in 2011 (excluding foreign domestic helpers), a level similar to those in the other Asian economies<sup>2</sup>. There has been a continual increase in the LFPR of local women in recent years, from 48.4% in 2001 to 49.6% in 2011, but still lower than that of men at 67.0%. In addition, the LFPR of elderly men (aged 60 to 64) has increased in the past ten years, from 46.0% in 2001 to 51.5% in 2011; and
- (d) the new arrivals coming to Hong Kong through the One-way Permit Scheme (OWPS) will remain one of the major sources of population growth in future. Besides, between 2003 and 2011, the total number of babies born to non-local residents in Hong Kong (Type II babies) is close to 200 000. The Census and Statistics Department conducted six rounds of "Survey on Babies Born in Hong Kong to Mainland Women" between 2007 and 2012 to gather information about non-local parents' plan to arrange their children to settle in Hong Kong. Based on the information gathered, we project that around 50% of these children will return to Hong Kong to live before the age of 21.

Please refer to Annex 1 for the relevant demographic figures.

#### *Areas of Concern with respect to the Future Development of Hong Kong*

4. Having examined the above data, the SCPP has the following observations:

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<sup>1</sup> The current fertility rate is 1.2 childbirth per woman, which is lower than the replacement rate of 2.1.

<sup>2</sup> LFPR refers to the proportion of labour force in the population aged 15 and over. It is a measure of the propensity of the persons of working age to be in the labour force. In 2012, the LFPRs in other Asian economies are 58.2%, 59.3%, 61.1% and 66.1% for Taiwan, Japan, South Korea and Singapore respectively.

- (a) it is an indisputable fact that the population of Hong Kong is ageing rapidly. Manpower shortage is also an imminent problem facing Hong Kong's economy. In fact, the SCPP has noticed that some trades including construction, retail service and elderly care are experiencing labour shortage;
- (b) over the past twenty years, Hong Kong's economy had an annual real growth of 4% on average, of which about 1% was attributed to an increase in labour force and the remaining some 3% was due to increased productivity. When the labour force starts to shrink after 2018, it will be difficult to maintain the same rate of economic growth as in the past, unless Hong Kong's economy can further enhance its productivity;
- (c) manpower shortage is not only an issue of "quantity" but also about "quality". We should provide training for our labour force so that they would possess the education and skills levels that fit the needs for our future economic development. We should also achieve a good match between trades' labour demand and our workforce, and raise the latter's productivity;
- (d) apart from economic development, changes with the demographic structure will also pose fiscal challenges. At present, only 1.5 million employed persons are required to pay salary tax. A dwindling labour force will further narrow the tax base, thereby significantly slowing down the growth of revenue from salary tax. On the other hand, an ageing population and an increase in average life expectancy will entail a heavier burden to the society in the form of increasing expenditure on welfare and healthcare services, etc. This will pose a major challenge to the fiscal sustainability of Hong Kong in the long term. In view of this, the Financial Secretary has indicated in the 2013-14 Budget that "I shall set up a working group to be led by the Treasury Branch. Scholars and experts will be invited to join the working group to explore ways to make more comprehensive planning for our public finances to cope with the ageing population and the Government's other long-term commitments."<sup>3</sup>;
- (e) babies born to non-local residents in Hong Kong (Type II babies) will approach school age in the next few years. The Government should make timely preparation to address their needs suitably, with a view to facilitating their early integration into the

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<sup>3</sup> Please see paragraph 140 of the 2013-14 Budget.

community while not undermining the interests of local students. Their smooth integration into the community may help rejuvenate our population; and

- (f) notwithstanding the challenges brought by ageing, the elderly should not be viewed as a burden to the society. As a matter of fact, the percentage of elderly aged between 65 and 69 who have passed the income and asset tests and are in receipt of Normal Old Age Allowance has been declining in the past 16 years, down from 59% in 1996 to 30% in 2012. People who will retire in the next few decades will have higher education level and better health conditions and can continue to contribute to the society after retirement. Besides, their consumption power and demand for asset management services should not be overlooked.

#### *Addressing Population Issues from Three Aspects*

5. The SCPP considers that a sustainable population policy should serve both economic and social needs, and that it should be broadened to include non-economic objectives, such as promoting the well-being of individuals, social harmony and inclusiveness. To this end, the SCPP agrees that these population issues should be addressed from the following three aspects :

- (a) **making good use of the existing population and workforce:** strengthening families and encouraging marriage and childbirth; attracting and facilitating more women, elderly and so on to join the labour market through family-friendly measures and flexible retirement arrangements; tackling issues concerning manpower supply and demand as well as skills matching to support economic development;
- (b) **replenishing our workforce with sources outside Hong Kong:** encouraging Hong Kong people and their second generation who have settled on the Mainland or abroad to return to Hong Kong; turning new arrivals coming to Hong Kong via the OWPS to become the new blood of our workforce; enhancing social integration of new arrivals and ethnic minorities; reviewing whether the existing schemes for admission of talents and labour can meet the needs of Hong Kong in view of the future economic development; and
- (c) **supporting the elderly to better prepare for their retirement:** early planning for our aging society in areas including retirement financial planning, asset management, elderly-friendly living

environment, portability of benefits, development of a silver hair market, etc.

Based on the above categorisation, the SCPP has initially identified 15 specific issues for further study (please see Annex 2).

6. To support the work of the SCPP, the Central Policy Unit will undertake or commission other institutions to study specific issues (such as the promotion of marriage and childbirth, releasing additional workforce from the existing population, and admission of overseas talents), with a view to gathering empirical evidence and overseas experiences as solid basis for discussion by the SCPP. The relevant bureaux/departments will also brief the SCPP on the existing policies and measures in a systematic manner, draw lessons from successful experiences of overseas countries and make reference to the local circumstances, with a view to facilitating the SCPP to review the existing policies and formulate recommendations on improvement measures.

#### *Public Consultation to Gauge Views from the Community*

7. Population policy concerns each and every one in our community. The SCPP considers that we should initiate active discussion and gauge views widely from the community on these issues, so as to build the greatest community consensus on policy formulation. To this end, the SCPP plans to launch a public engagement exercise on population policy in September this year. We plan to release a consultation document in September to embark public consultation for a period of three to four months. The consultation document will set out facts and figures on a range of issues and put forth open-ended questions to gauge public views on broad policy directions and feasible measures.

8. We also plan to engage Members of the Legislative Council (LegCo), district personalities, stakeholders, experts/academics, and related advisory bodies in the form of meetings, focus groups, discussion forums, etc., during the consultation period to understand the public's expectation and solicit views widely. After analysing and deliberating the views of the public, the SCPP will further explore the policy directions and feasible measures to address the various issues, with a view to announcing concrete proposals to the public in the next phase.

#### **The Commission on Poverty**

9. Poverty alleviation is a priority of the current term Government. Our work on poverty alleviation is first driven by policies and then supported by concrete measures to achieve the policy objective of helping underprivileged

people capable of working by offering them opportunities to become self-reliant and improve their livelihood, while devoting public resources to those who cannot provide for themselves as set out in the Policy Address delivered by the Chief Executive<sup>4</sup>. In respect of poverty alleviation policy, the current term Government has, since its inauguration in July last year, made a number of important decisions, including the setting of a poverty line, the implementation of the Old Age Living Allowance scheme and the enhancement of the Work Incentive Transport Subsidy Scheme. At the same time, the Government has decided to increase the statutory minimum wage from \$28 per hour to \$30 per hour with effect from 1 May 2013.

### *Setting of a Poverty Line*

10. At its first meeting held on 10 December last year, the Commission on Poverty (CoP) decided to formally kick-start the work on setting a poverty line, and agreed that the issue should be referred to the Social Security and Retirement Protection Task Force (SS&RPTF) under the CoP for detailed deliberation. The SS&RPTF held meetings on 28 January and 18 March respectively this year with good progress.

11. In these two meetings, members agreed to adopt the concept of relative poverty and set the main poverty line at half of the median household income. The SS&RPTF considers that setting the poverty line in this way is easy to understand, but notes that there are also limitations such as only household income is counted while assets are not; and there will always be some people statistically below the poverty line. With due regard to these limitations, the SS&RPTF accepts that the poverty line cannot be directly linked to the eligibility criteria of various means-tested social welfare schemes. In other words, setting the poverty line does not mean that the Administration should automatically offer subsidies to individuals or households whose income is below the poverty line. On the contrary, even if the household income of some groups is slightly above the poverty line, they will be eligible for government subsidies subject to their being able to meet the means test of individual social welfare schemes.

12. Poverty line can be viewed as a tool for analysis. Its functions are to enable us to identify and target various groups of people, formulate poverty alleviation initiatives targeted at the specific characteristics and needs of the identified groups, and analyse and monitor the effectiveness of the initiatives through comparison of changes in the population below the poverty line before and after the implementation of the various poverty alleviation initiatives,

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<sup>4</sup> Please see paragraph 92 in the 2013 Policy Address.

thereby enabling the Government to assist the needy people in a more focused and targeted manner with better use of our limited public resources.

13. At present, the Government has different cash-based and non-cash based social welfare measures (such as the Comprehensive Social Security Assistance (CSSA), student finance assistance and public housing, etc) to assist people in need and improve their living standard. At the two meetings, members discussed in details and formed an initial view on what measures should be counted in the “post-tax and post-social transfer household income”, which would serve as a quantified indicator measuring the impact of poverty alleviation measures of the Government. Should these proposals be endorsed by CoP at its meeting to be held on 28 March, the next steps for the SS&RPTF would be to consider the various features (such as the social, economic, housing conditions and district characteristics) of the households below the poverty line, and conduct detailed analysis on specific groups such as working poor, poor elderly, CSSA households, single-parent families, etc. This would facilitate our formulation of targeted poverty alleviation initiatives. In view of the current work progress, we are confident that a poverty line can be set within this year. Besides, we will start studying possible poverty alleviation measures as soon as practicable to complement the setting of the poverty line, with a view to hoping to rolling out these new measures in a timely manner.

#### *Work of the Task Forces under the CoP*

#### **Social Security and Retirement Protection Task Force**

14. Apart from setting a poverty line, the SS&RPTF has also been briefed by the Labour and Welfare Bureau on its proposal to set up a cross-department working group to review the eligibility criteria for Disability Allowance and agreed to the formation of such a working group to take forward the review.

15. As regards the important subject of retirement protection, the SS&RPTF has agreed to invite Professor CHOW Wing-sun to conduct a study to review our three-pillar retirement protection system, namely the Mandatory Provident Fund system, the social security system<sup>5</sup> and voluntary private savings. The study will assess the combined retirement protection effect of the current three-pillar system, analyse the different retirement protection options put forth by the community, and recommend improvement measures having regard to the inadequacies of the existing three-pillar system and the future development options proposed by the community. The study will be conducted

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<sup>5</sup> The social welfare for elderly includes CSSA, Old Age Allowance, Disability Allowance and Old Age Living Allowance (the latter to be implemented with effect from April this year).

on the basis of the evaluation criteria<sup>6</sup> in the “Old Age Income Support in the 21<sup>st</sup> Century: An International Perspective on Pension Systems and Reform” published by the World Bank in 2005.

16. The SS&RPTF will, in collaboration the Hong Kong Council of Social Service, arrange a dialogue session on 21 March to discuss how to improve Hong Kong’s social security system. The Chief Secretary for Administration and the Secretary for Labour and Welfare, as the Chairperson and Vice-chairperson of the SS&RPTF respectively, will attend the dialogue session to exchange views with representatives from grassroots and welfare organisations directly.

#### Education, Employment and Training Task Force

17. The other five task forces convened their first meetings in February this year. To promote upward social mobility and to guard against poverty, the Education, Employment and Training Task Force (EETTF) is considering ways to encourage young people to enroll on vocational training courses and join trades with promotion prospects. This is to tie in with the saying of the Financial Secretary in his 2013-14 Budget to develop structured training programmes that link up enrolment of trainees, vocational training, job attachment and job matching. The EETTF has also examined the current student finance assistance schemes for students attending primary and secondary schools and receiving tertiary education to ensure that no student is denied access to education due to lack of financial means.

#### Special Needs Groups Task Force

18. The Special Needs Groups Task Force (SNGTF) recognises that employment is an effective way to promote self-reliance among people with disabilities (PwDs). The SNGTF is considering feasible and effective measures to encourage the Government, public and subvented bodies, as well as private companies, to employ PwDs, procure services and products offered by PwDs, provide PwDs with internship, and establish integrated work place so as to provide more employment opportunities to PwDs. After considering the views put forward by the SNGTF, the Education Bureau is considering to modify the current mode of using designated schools to support non-Chinese speaking students (especially students from ethnic minorities) so that more

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<sup>6</sup> One of the evaluation criteria is that living protection for elderly should comprise a number of pillars (three or five pillars), instead of relying on one single kind of protection. Other evaluation criteria are adequacy (whether the reformed retirement protection system can offer adequate retirement protection for the entire population), affordability (whether it is affordable by individuals and the society), sustainability (whether it is financially sound and can be maintained over a foreseeable horizon under a broad set of reasonable assumptions) and robustness (whether it can withstand major shocks, including those coming from economic, demographic and political volatility).



schools can offer school-based support for non-Chinese speaking students. This is to enable students from ethnic minorities to get better integrated into mainstream schools, and create a more favourable environment for their learning Chinese.

### Societal Engagement Task Force

19. The Societal Engagement Task Force (SETF) has noted that various sectors are actively participating in different forms of poverty alleviation projects, and agreed that the priority of the SETF is to strengthen co-operation among the Government, the business sector and the community. The SETF is planning to set up an integrated information platform to facilitate societal engagement, so that the organisations which are keen to take forward poverty alleviation projects can share information with each other and the resources for poverty alleviation can be consolidated and matched. The SETF is also studying the feasibility of refurbishing vacant properties owned by the Government or the private sector for temporarily renting out, at a lower-than-market rental, to low-income families who are inadequately housed but yet to be allocated public housing.

### Social Innovation and Entrepreneurship Development Fund Task Force

20. The Social Innovation and Entrepreneurship Development Fund Task Force (SIEDFTF) will soon seek allocation of \$500 million from the Lotteries Fund to establish the Social Innovation and Entrepreneurship Development Fund, with an aim to provide support for initiatives which help tackle social problems with innovation and entrepreneurship. While considering how to optimise the usage of the \$500 million Fund, the SIEDFTF has in parallel visited or planned to visit several enterprises engaged in innovations including the Dialogue in the Dark, Diamond Cab, Bonham Strang and Personal Emergency Link to better understand the operation and future development direction of social innovations enterprises.

### Community Care Fund Task Force

21. Since its establishment in early 2011, with the Government's \$5 billion injection and donations from the community<sup>7</sup>, the Community Care Fund (CCF) has launched a total of 18 assistance programmes<sup>8</sup> (please see details at Annex 3). People outside the existing safety net or the coverage of the Government's short-term relief measures have been successfully identified

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<sup>7</sup> The amount of donations pledged is about \$1.8 billion, some of which is made by yearly instalments over three years. The actual amount of donations received so far is around \$1.19 billion.

<sup>8</sup> Separately, the Finance Committee of LegCo approved in July 2011 an injection of \$1.5 billion into the CCF to launch a programme to provide allowance to new arrivals.

and provided with immediate assistance, and more than 100 000 people have benefited under these programmes. In addition, the CCF also implemented measures on a pilot basis to help the Government identify those measures that have been proven effective for incorporation into the regular assistance programme. Among these, the programme providing subsidy to needy patients of Hospital Authority for the use of Samaritan Fund subsidised drugs (i.e. programme (11) at Annex 3) has been incorporated into the regular assistance programme since September 2012. The Government is also studying the incorporation of three other programmes (i.e. programmes (3), (6) and (9) at Annex 3) into the regular assistance programme. Since 2013, the work of the CCF has been integrated into the CoP.

### *Three Major Purposes of Injection*

22. As at end February 2013, the balance of the CCF stood at around \$5.93 billion, including the placement of \$5 billion<sup>9</sup> and the investment return of \$455 million at the Hong Kong Monetary Authority, as well as \$480 million of bank deposits. In the 2013-14 Budget, the Financial Secretary proposed to inject an additional \$15 billion into the CCF to strengthen the poverty alleviation efforts. The injection mainly serves the following three purposes -

- (a) providing assistance to persons who could not benefit from the Budget's relief measures, i.e. those colloquially known as "n have-nots" (generally refer to those who do not own any properties, live in public rental housing or receive CSSA);
- (b) enhancing the CCF's capacity to plug the gaps in the existing system and launching more targeted assistance programmes and pilot schemes to help those who are facing economic difficulties; and
- (c) continuing the implementation of programmes which are proved to be effective but have yet to be incorporated into the Government's regular assistance programme for the time being owing to the recurrent expenditure limit of a particular year or the time taken to study or rationalise related policies, so that assistance can be provided to the needy continuously.

### *Making Effective Use of the Injection to Plug the Gaps in the Existing System*

23. As such, apart from continuing the implementation of the existing assistance programmes, the CCF will also continue the "Subsidy to meet lunch

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<sup>9</sup> The placement period is six years, and the placement cannot be withdrawn until the end of the period (i.e. mid-June of 2017).

expenses at whole-day primary schools for students from low-income families” programme and “After-school care pilot scheme”, and the number of students who will benefit under the two programmes is about 67 000. We are studying the incorporation of the lunch subsidy programme into the Government’s regular assistance programme. To provide assistance to persons who could not benefit from the Budget’s relief measures and enhance CCF’s capacity to plug the gaps in the existing system, the CCF Task Force (CCFTF) will carry out the following tasks to make good use of the injection proposed to be made to the CCF-

- (a) the CCF has earlier rolled out the “Subsidy for low-income elderly tenants in private housing” and “Subsidy for low-income persons who are inadequately housed” programmes, which effectively reach out to those colloquially known as the “n have-nots” and provide them with financial assistance. The CCFTF will take into account views from the public and the elderly centres / community service units assisting in implementing the programmes, and expedite the review of the programmes. In particular, consideration will be given to rationalising the eligibility criteria and subsidy level of the two programmes, and relaxing the definition of “inadequately housed” to benefit families living in “sub-divided units” with individual entrance doors, with a view to re-launching the two programmes in an integrated approach to help more “n have-nots” in need. It is estimated that the number of benefited households can reach about 60 000 to 70 000; and
- (b) for CSSA recipients living in rented private housing, the CCF will consider re-launching the “Subsidy for CSSA recipients living in rented private housing paying rents that exceed the maximum rent allowance under CSSA” programme with a view to relieving their financial pressure. It is estimated that the number of benefited households will be about 17 000.

In January and February this year, the CCFTF organised two public consultation sessions to collect public views on the formulation of assistance programmes. In addition, taking into account actual experience gained and views collected from the public and stakeholders, the CCFTF will work closely with other task forces under the CoP, and continue to draw up more new programmes and pilot schemes to provide necessary assistance to the underprivileged and low-income families. Programmes that may be considered to be funded under the CCF may include providing additional transport subsidy to special school students and a pilot scheme to further encourage CSSA recipients to take up employment.

24. Over the past two years, the CCF rolled out a total of 18 assistance programmes to help the underprivileged. This is a manifestation of the flexibility of CCF operation. In particular, it has launched a number of pilot schemes within a short period of time. Through the continuous review and evaluation mechanism under the CCF, relevant Government departments/organisations responsible for implementing the programmes could draw on experience gained and collect data as soon as possible to determine which programmes need to be revised or extended, or recommend the incorporation of measures that have been proven effective into the Government's regular assistance programme.

#### *Retaining Flexibility and Enhancing Transparency for the CCF*

25. In this connection, if the injection of \$15 billion into the CCF is approved by the Finance Committee (FC) of the LegCo, we are prepared to maintain its existing mode of operation which has proven to be effective, so that the CCF could retain its flexibility and pioneer nature. The CCFTF will maintain close collaboration with other task forces under the CoP to draw up assistance programmes and pilot schemes for the overall consideration and approval by the CoP. Indeed, members of the task forces and CoP come from different sectors in the community, and four CoP members are LegCo Members, who shall closely monitor the implementation of CCF programmes and provide views on the work of the CCF. There has been the suggestion that FC's approval is required before launching individual programmes. Such a proposal would significantly undermine the flexibility and pioneer nature of the CCF, frustrating the original objective of establishing the fund.

26. In the past, we have updated the LegCo Panel on Home Affairs on the progress of the CCF from time to time. To enhance the CCF's transparency, we plan to report regularly to the Subcommittee on Poverty under this Committee the implementation progress of CCF programmes every six months with the table set out at Annex 3. The table will also be uploaded to the CCF website ([www.communitycarefund.hk](http://www.communitycarefund.hk)) for easy reference by the public.

27. Subject to the approval of the Budget, we will submit the application for injection to FC as soon as possible, with a view to rolling out the measures set out at paragraph 23 (a) and (b) above in the latter half of the year.

#### **Interface with LegCo**

28. Through this Committee and other channels we will continue to maintain close communication with Members on our work on population policy and poverty alleviation. We will render full support to the deliberations of LegCo, including the Subcommittee on Poverty under this Committee. To

enhance transparency, we will upload suitable information to the CoP dedicated website (including relevant discussion papers of CoP and its task forces) and issue press releases on the discussion of the SCPP and CoP.

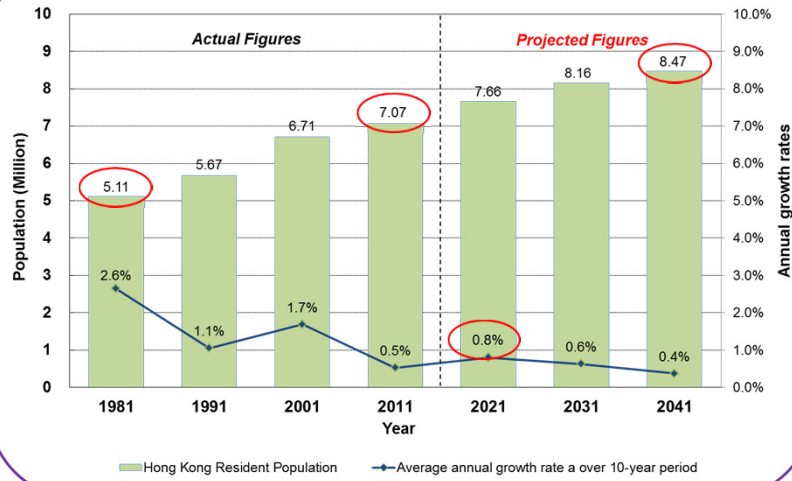
### **Advice Sought**

29. Members are invited to note and comment on the contents of this paper.

Administration Wing  
Chief Secretary for Administration's Office  
March 2013

## Population Size

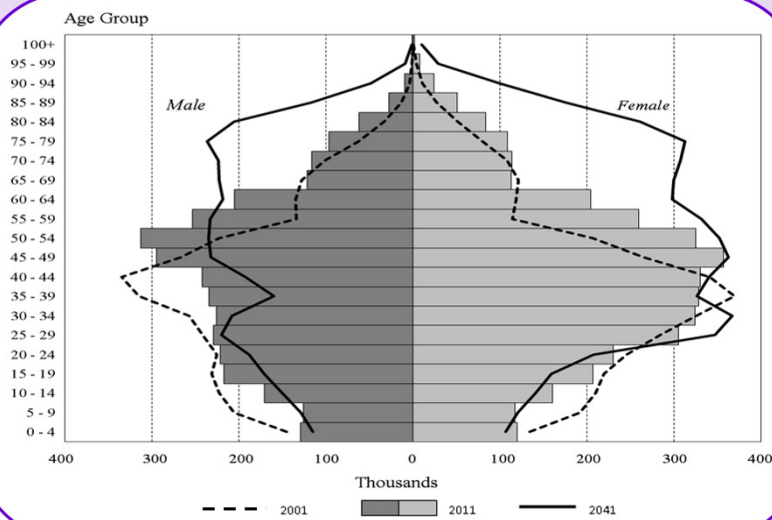
- Growth rate of Hong Kong population moderating over time.



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## Age Structure

- The ageing trend revealed in the changes in shape of the population pyramid.



2

## Births and Fertility

- The fertility rates in Hong Kong remaining rather low and below the replacement level of 2 100.

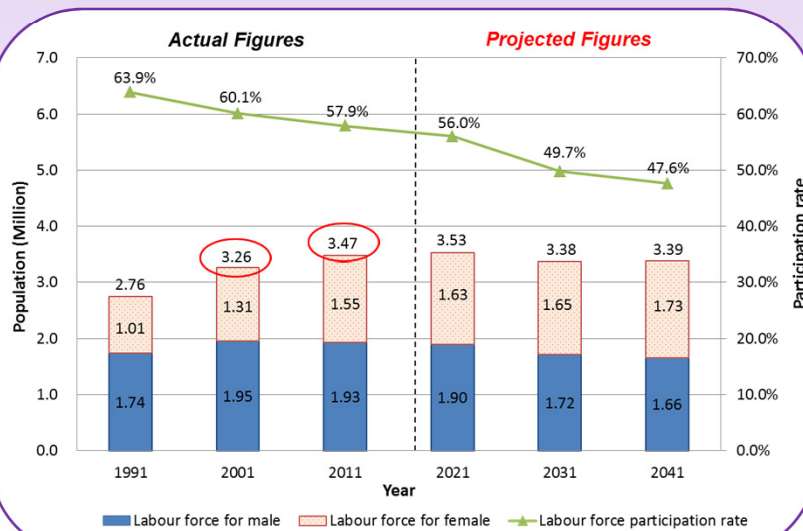
	Year	Number of births	Crude birth rate (per 1 000 population)	Total fertility rate
<b>Actual</b>	1991	68 281	12.0	1 281
	2001	48 219	7.2	931
	2011	95 451	13.5	1 204
<b>Projected</b>	2021	59 983	7.8	1 191
	2031	53 850	6.6	1 190
	2041	52 139	6.2	1 151



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## Labour Force

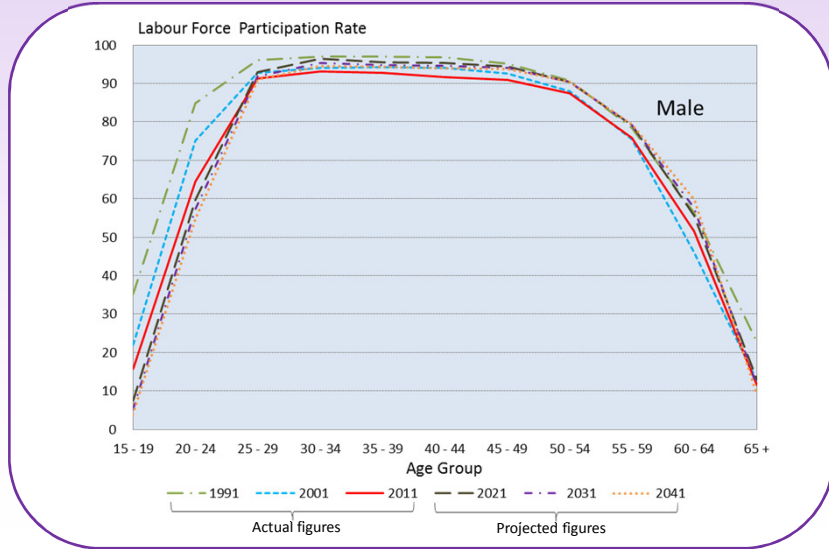
- A continuous downward trend in the overall labour force participation rate owing to the ageing effect.



4

## Labour Force Participation Rate - Male

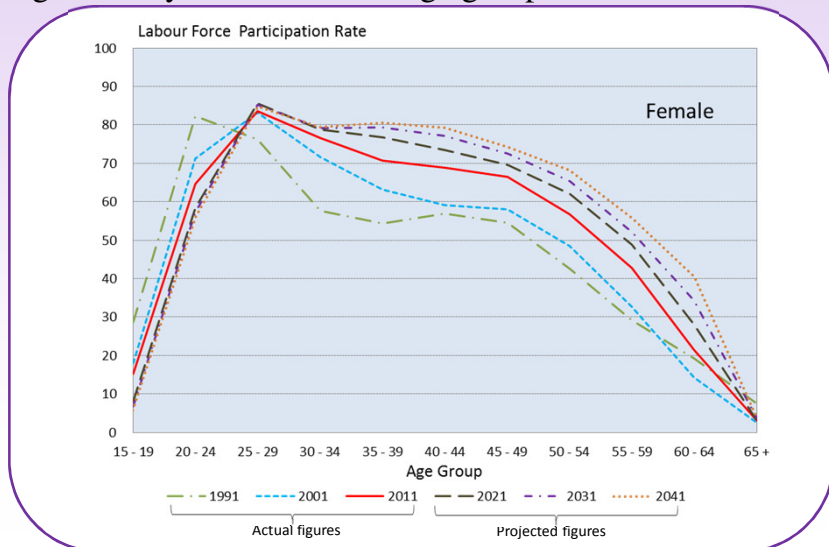
- Male labour force participation rates slowly decreasing for most of the age groups.



5

## Labour Force Participation Rate - Female

- Female labour force participation rates increasing significantly for most of the age groups.



6



## Inflow of One-way Permit (OWP) holders

- Many OWP holders are Hong Kong men's wives coming from the Mainland.

Age	Sex		Total
	Male	Female	
0-14	10%	9%	20%
15-34	10%	38%	48%
35-64	8%	23%	31%
65+	<0.5%	1%	1%
<b>Total</b>	<b>28%</b>	<b>72%</b>	<b>100%</b>

The existing policy of a daily quota of 150 One-way Permit Holders entering Hong Kong from the Mainland of China is assumed to remain valid in the projection period.

Note : Figures may not add up to total due to rounding



7

## Net movement of Type I babies and Type II babies

- From 2003 to 2011, about 200 000 Type II babies born in Hong Kong (27.6% of the total number of babies born).

Intentions about their babies' future living arrangement*	%	
	Type I babies	Type II babies
Staying in Hong Kong	56	2
Not living in Hong Kong before age one		
With intention of being brought back to Hong Kong	(77)	(53)
Others	(23)	(47)
<b>Total</b>	<b>100</b>	<b>100</b>
Overall proportion of babies living in Hong Kong eventually	89	53

\*According to the latest round of "Survey on babies born in Hong Kong to Mainland women".



8

**Issues to be studied by**  
**the Steering Committee on Population Policy**

- I. Making good use of the existing population and workforce**
1. Strengthening families and encouraging marriage and childbirth.
  2. Releasing more workforce from the existing population via promoting women, youth and elderly employment.
  3. Introducing flexible employment and/or progressive retirement practices to extend the working life of our workforce.
  4. Improving the manpower balance and skills matching, so that our workforce can, in terms of its quantity and skills level, support the economic development of Hong Kong.
- II. Replenishing our workforce with sources outside Hong Kong**
5. Encouraging Hong Kong people (and their second generation) who have settled on the Mainland or abroad to return to Hong Kong.
  6. Turning new arrivals coming to Hong Kong via the One-Way Permit Scheme to become the new blood of our workforce.
  7. Preparing for the return of children born to non-local residents in Hong Kong (i.e. Type II babies) for education.
  8. Admission of talents.
  9. Importation of low-skilled labour.
  10. Enhancing social integration of new arrivals and ethnic minorities.
- III. Supporting the elderly to better prepare for their retirement**
11. Encouraging and educating the public on financial planning for retirement and promoting the development of financial services and products for the elderly.
  12. Promoting the concept of active ageing in policy formulation.
  13. Providing elderly-friendly living environment.
  14. Developing silver hair market.
  15. Examining the portability of benefits.

**Assistance Programmes under the Community Care Fund (CCF)**

<b>Assistance programme (Disbursement amount)</b>	<b>Implementation date</b>	<b>Funding provision (\$ million)</b>	<b>Major eligibility criteria</b>	<b>Beneficiary statistics (as at 28 February 2013)</b>	<b>Disbursements (\$ million) (as at 28 February 2013)</b>	<b>Progress and evaluation</b>
<p>(1) Setting up the School-based Fund (Cross-boundary Learning Activities) to subsidise primary and secondary school students from low-income families to participate in cross-boundary learning activities/competitions</p> <p>(A subsidy of not more than \$3,000 for each benefited student to participate in cross-boundary learning activities and competitions respectively)</p>	June 2011 (a three-year programme)	194.66	<ul style="list-style-type: none"> <li>● Students receiving full or half grant from the Student Financial Assistance Agency (SFAA);</li> <li>● Students receiving Comprehensive Social Security Assistance (CSSA); or</li> <li>● Students meeting the “financially needy” criteria as determined by individual schools.</li> </ul>	22 093 persons	Around 52	<p>The programme was initially set up to subsidise eligible students to participate in cross-boundary learning activities. The scope of the programme was expanded in July 2012 to subsidise eligible students to represent Hong Kong to take part in cross-boundary competitions.</p> <p>Evaluation is being planned and the progress will be reported to the CCF Task Force in future.</p>
(2) Subsidy for patients of Hospital Authority (HA) for specified self-financed cancer	August 2011 (a two-year programme)	121.208 <sup>1</sup>	<ul style="list-style-type: none"> <li>● The prevailing SF financial assessment mechanism and its</li> </ul>	959 person-times	Around 86.49	The programme initially covered six specified self-financed cancer drugs and was expanded to nine

<sup>1</sup> Including the administrative and audit expenses of this programme and programme (11) below. Revised funding for the second year of the programme is pending approval by the Commission on Poverty.

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
<p>drugs which have not yet been brought into the Samaritan Fund (SF) safety net but have been rapidly accumulating medical scientific evidence and with relatively higher efficacy</p> <p>(To subsidise the drug costs borne by benefited patients for the relevant drug treatment)</p>			sliding scale are adopted as the financial assessment criteria.			<p>subsequently.</p> <p>The evaluation results were reported to the former Steering Committee on the CCF in May 2012.</p>
<p>(3) Subsidy to meet lunch expenses for primary school students from low-income families</p> <p>(The subsidy level is determined by the actual fee charged by lunch suppliers and the subsidy is directly paid to lunch suppliers through the schools)</p>	September 2011 (a three-school year programme)	529.207	● Primary school students receiving full grant from SFAA and having lunch as arranged by their schools.	56 387 persons <sup>2</sup>	Around 306.2	The former Steering Committee on the CCF was briefed on the evaluation results in May 2012 and it supported the programme's regularisation by the Education Bureau (EDB). As the Government is studying its incorporation into regular assistance

<sup>2</sup> This is the number of benefited students in the 2011/12 school year. The estimated number of benefited students in the 2012/13 school year is 62 000.

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
						programme, the CCF agreed to continue the provision of subsidy to eligible primary school students in 2012/13 and 2013/14 <sup>3</sup> .
(4) Financial assistance for ethnic minorities and new arrivals from the Mainland for taking language-related international public examinations  (Reimbursement of relevant examination fees to the beneficiaries on an accountable basis)	September 2011 (a two-year programme)	1.05	<ul style="list-style-type: none"> <li>● Passed the family/household-based means-test establishing eligibility for CSSA Scheme, student financial assistance schemes or HA Medical Fee Waiving Mechanism; or</li> <li>● household income not exceeding 75% of the Median Monthly Domestic Household Income.</li> </ul>	128 persons	Around 0.13	The evaluation plan was reported to the CCF Task Force in February 2013. The Home Affairs Department (HAD) is evaluating the programme.

<sup>3</sup> Pending approval by the Commission on Poverty.

<b>Assistance programme (Disbursement amount)</b>	<b>Implementation date</b>	<b>Funding provision (\$ million)</b>	<b>Major eligibility criteria</b>	<b>Beneficiary statistics (as at 28 February 2013)</b>	<b>Disbursements (\$ million) (as at 28 February 2013)</b>	<b>Progress and evaluation</b>
(5) Subsidy for the severely disabled persons aged below 60 from families with financial difficulties who are non-CSSA recipients, requiring constant attendance and living in the community  (A monthly subsidy of \$2,000)	September 2011 (application period for the extended programme till end February 2013)	133.83	<ul style="list-style-type: none"> <li>● Aged below 60 and receiving Higher Disability Allowance (HDA) under the Social Security Allowance (SSA) Scheme as at 31 July 2012;</li> <li>● living in the community as at 31 July 2012; and</li> <li>● monthly household income not exceeding 100% of the Median Monthly Domestic Household Income.</li> </ul>	1 974 person-times	Around 35	<p>The former Steering Committee on the CCF approved to invite a new round of applications in November 2012, with certain eligibility criteria relaxed (including the income limits and the method of calculating the number of household members). A subsidy for 12 months at most will be provided to the beneficiaries during the extended period.</p> <p>The evaluation results were reported to the CCF Task Force in February 2013.</p>
(6) Subsidy for CSSA recipients who are owners of Tenant Purchase Scheme flats for five years or above and not eligible for rent allowance under the CSSA Scheme	September 2011 (a one-off subsidy programme which has been completed)	1.73	<ul style="list-style-type: none"> <li>● CSSA households meeting the relevant criteria as at 1 July 2011.</li> </ul>	825 households	1.65	<p>The former Steering Committee on the CCF was briefed on the evaluation results in May 2012 and it supported the programme's regularisation by the Social Welfare Department (SWD).</p>

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(A subsidy of \$2,000 per household)						The Government is now planning for the programme's incorporation into regular assistance programme, and expects to have the specific proposal ready within 2013.
(7) Subsidy for elders aged 65 or above from low-income families who are on the waiting list of Integrated Home Care Services (IHCS) (Ordinary Cases) for Household Cleaning and Escorting Services for Medical Consultations  (A monthly subsidy of not more than \$480 which has been raised to \$560 since December 2012)	October 2011 (application period for the extended programme till end March 2013)	15.256	<ul style="list-style-type: none"> <li>● Aged 65 or above; living in the community; and have been on the waiting list for IHCS (Ordinary Cases) on or before 31 October 2012; and</li> <li>● household income not exceeding 75% of the Median Monthly Domestic Household Income.</li> </ul>	1 144 persons	Around 2.02	<p>The former Steering Committee on the CCF approved in November 2012 to invite a new round of applications and extend the provision of subsidy for existing beneficiaries. Eligible elders may receive the subsidy until 31 March 2014 the latest.</p> <p>The evaluation results were reported to the CCF Task Force in February 2013.</p>
(8) Subsidy for CSSA recipients living in private housing paying rents which exceed the	October 2011 (a one-off subsidy programme)	33.671	<ul style="list-style-type: none"> <li>● CSSA households meeting the relevant criteria as at 1 July 2011.</li> </ul>	22 605 households	Around 32.09	The evaluation results were reported to the CCF Task Force in February 2013.

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
<p>maximum rent allowance under the CSSA Scheme</p> <p>(A subsidy of \$1,000 for one-person household; and \$2,000 for two-or-more-person household)</p>	<p>which has been completed)</p>					<p>SWD will consider to relaunch the programme.</p>
<p>(9) Training subsidy for children with special needs from low-income families who are on the waiting list for subvented pre-school rehabilitation services</p> <p>(A monthly subsidy of not more than \$2,500)</p>	<p>December 2011 (application period for the extended programme till end February 2013)</p>	<p>68.145</p>	<ul style="list-style-type: none"> <li>● On the waiting list for subvented pre-school rehabilitation services on or before 30 November 2012; and</li> <li>● household income not exceeding 75% of the Median Monthly Domestic Household Income.</li> </ul>	<p>1 435 persons</p>	<p>Around 14.58</p>	<p>The former Steering Committee on the CCF approved in November 2012 to invite a new round of applications and extend the provision of subsidy for existing beneficiaries. Eligible children may receive the subsidy until 31 March 2014 the latest.</p> <p>The former Steering Committee on the CCF was briefed on the evaluation results in May 2012 and it supported the programme's regularisation by the</p>



Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
						SWD, which is now being studied by the Government.
(10) Relocation allowance for eligible residents of sub-divided units in industrial buildings who would have to move out as a result of the Buildings Department (BD)'s enforcement action  (An allowance of \$2,100 for one-person household; \$4,600 for two-to-three-person household; and \$6,100 for four-or-more-person household)	December 2011	4.43	<ul style="list-style-type: none"> <li>● Persons who have passed the family/household-based means-test establishing eligibility for CSSA Scheme, student financial assistance schemes, HA Medical Fee Waiving Mechanism or Work Incentive Transport Subsidy; or</li> <li>● household income not exceeding 75% of the Median Monthly Domestic Household Income.</li> </ul>	140 households	Around 0.39	<p>BD has inspected all 30 target industrial buildings, and found suspected cases of unauthorised sub-divided units in 10 of them. BD has taken enforcement action against these cases and enforcement action was completed in one building. BD will continue to follow up the enforcement actions in other industrial buildings.</p> <p>Evaluation is being planned and the progress will be reported to the CCF Task Force in future.</p>

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
(11) Subsidy for needy HA patients who marginally fall outside the SF safety net for the use of SF subsidised drugs  (To subsidise the drug costs borne by benefited patients for the relevant drug treatment)	January 2012	4.293	<ul style="list-style-type: none"> <li>● The prevailing SF financial assessment mechanism was adopted by applying a more relaxed maximum contribution ratio than that for the SF (i.e. 20%).</li> </ul>	281 person-times <sup>4</sup>	4.293	The programme has been incorporated into the SF's regular mechanism with effect from 1 September 2012.
(12) Subsidy for non-school-attending ethnic minorities and new arrivals from the Mainland to enroll in language courses  (A subsidy of \$350 to \$700 is provided for attending language courses organised by the Employees Retraining Board)	March 2012	0.5	<ul style="list-style-type: none"> <li>● Passed the family/household-based means-test establishing eligibility for CSSA Scheme, student financial assistance schemes or HA Medical Fee Waiving Mechanism; or</li> <li>● household incomes not exceeding 75% of</li> </ul>	83 persons	Around 0.03	The evaluation plan was reported to the CCF Task Force in February 2013. HAD is evaluating the programme.

<sup>4</sup> The programme has ceased operation since 31 August 2012, and the statistics as at 31 August 2012 is shown.

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
			the Median Monthly Domestic Household Income.			
(13) Subsidy for low-income elderly tenants in private housing  (A subsidy of \$4,000 for one-person elderly household, \$8,000 for two-person elderly household and \$12,000 for three-or-more-person elderly household)	July 2012 (a one-off subsidy programme with the application period closed on 31 January 2013)	11.89	<ul style="list-style-type: none"> <li>● Elderly households aged 65 or above;</li> <li>● not receiving CSSA;</li> <li>● household income and rent not exceeding the specified limit<sup>5</sup>; and</li> <li>● not owning any property in Hong Kong.</li> </ul>	2 068 households (2 561 persons)	Around 10.24	<p>The evaluation plan was reported to the CCF Task Force in February 2013.</p> <p>The CCF Secretariat is evaluating this programme and programme (17) below, and considering to launch an integrated programme.</p>
(14) After-school Care Pilot Scheme  (The subsidy cap for each	August 2012 (a two-school year programme)	69.2	<ul style="list-style-type: none"> <li>● Primary one to Secondary three students receiving CSSA or SFAA</li> </ul>	5 437 persons	Around 13.77	EDB has disbursed 50% of the subsidy to 73 schools/ non-governmental

<sup>5</sup> The specified limits for monthly household income and rental cap vary with the household size, with details as follows –

<u>Household size</u>	<u>Specified limit for monthly household income (\$)</u>	<u>Rental cap (\$)</u>
1	8,740	4,370
2	13,410	6,705
3 or above	17,060	8,530

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
project is \$500,000)			<p>full grant.</p> <ul style="list-style-type: none"> <li>● Participating schools or non-government organisations have discretion to include needy students who do not meet the above criteria, but the number of these students should not exceed 25% of the total number of student beneficiaries.</li> </ul>			<p>organisations granted with the funding, and the remaining 50% will be disbursed in the first half of 2013.</p> <p>Having regard to the good progress of the pilot scheme, and the scope for enhancement for further trial, the CCF Task Force agreed to extend the programme to 2013-14<sup>6</sup>.</p> <p>The progress of evaluation will be reported to the CCF Task Force in future.</p>
(15) Elderly dental assistance programme (The subsidy cap for each beneficiary is \$9,240)	September 2012 (expected to be a two-year programme)	100	<ul style="list-style-type: none"> <li>● Aged 60 or above;</li> <li>● not receiving CSSA; and</li> <li>● users of the IHCS or “Enhanced Home and Community Care Services” subvented by</li> </ul>	84 persons	Around 0.51	<p>422 eligible elders have been referred to receive the dental services under the programme.</p> <p>The evaluation plan was reported to the CCF Task Force in February 2013. The CCF Task Force has</p>

<sup>6</sup> Pending approval by the Commission on Poverty.

<b>Assistance programme (Disbursement amount)</b>	<b>Implementation date</b>	<b>Funding provision (\$ million)</b>	<b>Major eligibility criteria</b>	<b>Beneficiary statistics (as at 28 February 2013)</b>	<b>Disbursements (\$ million) (as at 28 February 2013)</b>	<b>Progress and evaluation</b>
			SWD as at 31 December 2011 and are paying level 1 or level 2 fee charge of the above services.			set up a working group to consider whether and how to revise the scope of the programme taking into account the progress of implementation and the experience gained.
(16) Subsidy for owners' corporations of old buildings  (Eligible owners' corporations can be granted a subsidy with the total amount capped at \$20,000 for relevant expenditure items on an accountable basis)	October 2012 (a three-year programme)	67.2	<ul style="list-style-type: none"> <li>● Residential or composite buildings aged 30 years or above; and</li> <li>● average rateable value of the residential units does not exceed \$120,000 for urban area and \$92,000 for New Territories.</li> </ul>	41 owners' corporations	Around 0.14	<p>Among the 4 300 eligible owners' corporations, about 2 400 have indicated their intention to make an application.</p> <p>The progress of evaluation will be reported to the CCF Task Force in future.</p>
(17) Subsidy for low-income persons who are inadequately housed  (A subsidy of \$3,000 for one-person household; \$6,000 for two-person	October 2012 (a one-off subsidy programme with application period to be closed on 8	174.43	<ul style="list-style-type: none"> <li>● Persons renting on a monthly basis rooms/cubicles, cocklofts or bedspaces in private permanent housing; persons renting bedspaces</li> </ul>	14 172 households (33 426 persons)	Around 84.32	The former Steering Committee on the CCF approved to increase the estimated funding of the programme from \$91.43 million to \$174.43 million in December 2012, and it is expected that the

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
household; and \$8,000 for three-or-more-person household)	April 2013)		<p>offered under the Home Affairs Department's Singleton Hostel Programme; persons residing in temporary housing; or homeless persons;</p> <ul style="list-style-type: none"> <li>● monthly household income and rent shall not exceed the specified limit<sup>7</sup>;</li> <li>● not receiving CSSA; and</li> <li>● not owning any property in Hong Kong.</li> </ul>			<p>number of beneficiaries will be 27 718 (about 55 436 persons)</p> <p>The CCF Secretariat is evaluating this programme and programme (13) above, and considering to launch an integrated programme.</p>
(18) Provision of special	Late January	12.6	● All requirements	The	Figures are not	SWD has extended

<sup>7</sup> The specified limits for monthly household income and rental cap vary with the household size, with details as follows –

<u>Household size</u>	<u>Specified limit for monthly household income (\$)</u>	<u>Rental cap (\$)</u>
1	8,740	4,370
2	13,410	6,705
3	17,060	8,530
4	20,710	10,355
5	23,640	11,820
6 or more	26,590	13,295

Assistance programme (Disbursement amount)	Implementation date	Funding provision (\$ million)	Major eligibility criteria	Beneficiary statistics (as at 28 February 2013)	Disbursements (\$ million) (as at 28 February 2013)	Progress and evaluation
<p>subsidy to persons with severe physical disabilities for renting respiratory support medical equipment</p> <p>(For beneficiaries with annual household disposable financial resources of \$100,000 or below, a monthly subsidy of \$2,500 will be granted. For beneficiaries with annual household disposable financial resources over \$100,000 but not exceeding \$180,000, a monthly subsidy of \$2,000 will be granted)</p>	<p>2013 (the application period will end on 30 June 2013)</p>		<p>of “Special Care Subsidy for the Severely Disabled” (programme (5) above) are met;</p> <ul style="list-style-type: none"> <li>● persons who have to rent the respiratory support medical equipment without any relevant assistance, and are still receiving HDA under the SSA Scheme; and</li> <li>● the annual household disposable financial resources do not exceed \$180,000.</li> </ul>	<p>programme is recently launched and figures are not yet available.</p>	<p>yet available.</p>	<p>invitations for applications to persons who may meet the eligibility criteria since early February 2013. It is expected that the subsidy can be disbursed from late March onwards.</p> <p>The progress of evaluation will be reported to the CCF Task Force in future.</p>