

Commission on Poverty (CoP)
Meeting held on 23 January 2007
Gist of Discussion

The Commission on Poverty held its thirteenth meeting on 23 January 2007.

Item 2.1 - “From Welfare to Self-reliance” – Transport Support Scheme

Members recalled that at the last meeting, they supported providing transport support to the following target groups living in remote areas in order to address the relative lack of job opportunities in these areas and to encourage work -

- (a) the needy unemployed;
- (b) the needy employees who wish to change jobs and work across districts.

Members further deliberated on the issues involved in providing transport support to another group of needy employees, viz. (c) those who were already working across districts, but remaining in low-income jobs. They noted that if the subsidy were to be provided on a longer-term basis, more complicated policy issues would be involved, e.g. whether the scheme would effectively become a new form of income supplement for low-income employees, the parity issue for low-income earners living in other districts, and the adverse impact of the transport subsidies on wages.

There was strong consensus among Commission members to cover target group (c) in the pilot scheme. While members appreciated the relevant policy issues involved were complicated, they considered that the Administration should explore providing transport support to group (c) with a clearly defined objective, i.e. to subsidize part of the transport costs incurred by low income earners living in remote districts on a time-limited basis. They considered that the scheme with a clearly defined scope and on a time-limited basis should not have negative impact in respect of the policy issues raised.

The CoP made the following recommendations relating to the pilot scheme -

- (a) a Job Search Allowance of \$600 for each eligible job seeker¹ to cover their traveling expenses incurred in job searches;
- (b) a Cross-District Work Allowance of \$600 a month for six months (i.e. a total of \$3,600) for low-income employees². The allowances are only meant to cover part of the expenses they incurred for commuting to work;
- (c) the subsidy should be time-limited and purpose-specific (to cover part of the costs for job searches and commuting across districts) so it would not be confused as a general income-supplement;
- (d) only four districts would be covered, i.e. Yuen Long, Tuen Mun, Islands and North districts, given the objective of the scheme is to provide special incentives to the needy living in remote districts, where there are relatively fewer job opportunities to search for jobs and work across districts; and
- (e) the pilot would last for one year and a review would be conducted after the end of the pilot.

Item 3 – Development of Social Enterprises

Members were updated on progress of a number of initiatives to promote the development of social enterprises (SE), including training, making the government procurement regime more SE-friendly, and considerations of the suitable regulatory framework of SE in the long run. Members supported the direction and proposed measures to facilitate the development of social enterprises to help the disadvantaged

¹ Eligible job seekers need to meet a personal asset requirement of \$44,000, which is twice the asset limit of an individual CSSA able-bodied recipient.

² Eligible low-income employees are those who (i) need to work across districts; (ii) meet the asset requirement of \$44,000 and (iii) have a monthly income level below \$5,600, which is roughly the sum of half of the monthly median income (\$5,000) and half of the travelling expenses from the remote areas to urban districts (\$600).

to achieve self-reliance.

Item 4 – Strengthening Support to Children and Families – An Update

The commission also examined the recommendations from the CoP Task Force on Children and Youth to strengthen support for children and families, including the implementation of the Comprehensive Child Development Service, which strengthened early identification of families at risk. The meeting also noted the wide community support for the Government to set aside extra resources to support child development projects targeting disadvantaged children.

Item 2.2 - Enhancing Support to Elders in Need

Members followed up on the suggestion to enhance support to elders in need. The CoP Ad Hoc Group on the Elderly in Poverty was tasked to follow up on the issues.

Commission Secretariat
January 2007