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**GOVERNMENT SECRETARIAT
HOME AFFAIRS BUREAU**

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10 April 2017

Legislative Council Secretariat
(Attn: Ms Alice LEUNG)
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Leung,

Panel on Home Affairs
Follow-up to the Meeting on 21 December 2016

I refer to the letter dated 28 December 2016 from your Secretariat.

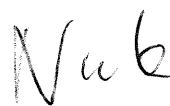
We noted the three motions relating to the Community Care Fund (CCF) passed by the Panel on Home Affairs at its meeting on 21 December 2016. The CCF Secretariat has circulated the relevant motions to Members of the CCF Task Force for reference and the CCF Task Force has discussed the issue.

The CCF launched the “One-off living subsidy for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance (CSSA)” programme, in the light of the short-term relief measures introduced by the Budget released in the financial year of the launch, to provide a one-off cash subsidy to the “N have-nots” who could not benefit from such measures. Taking into account the above factor and the fact that fewer short-term relief measures were announced in recent Budgets, the CCF considered it not fully justified to provide a cash subsidy again to the low-income “N have-nots” not living in public housing and not receiving CSSA.

The CCF Task Force will continue to take into account views from the public and stakeholders in examining the need for the CCF to introduce other programmes and, if so, how the programmes be introduced to plug gaps in the existing system.

Separately, at the above meeting, a Member requested the CCF to provide information on the effectiveness in poverty alleviation of the assistance programmes under the CCF. The requested information is enclosed at the Annex for Members' reference.

Yours sincerely,



(Nick Au Yeung)

for Secretary for Home Affairs

Encl.

Hong Kong Poverty Situation Report 2015

Effectiveness of Community Care Fund's Cash Subsidy Assistance Programmes in Poverty Alleviation¹

At the Commission on Poverty Summit held on 15 October 2016, the Commission on Poverty (CoP) announced the Hong Kong Poverty Situation Report 2015. In the analysis made in Chapter 2 of the report on “Poverty Situation and Its Trend from 2009 to 2015”, the issue of “Poverty Situation and Policy Effectiveness in Poverty Alleviation” was discussed in Part 2.IV while the “Poverty Situation after Taking into Account Non-recurrent Cash Benefits” was analysed in Box 2.1. Extracts of the two relevant parts are set out in Appendix 1 and Appendix 2 respectively.

2. As seen from Figure 2.17 of Box 2.1 in Appendix 2, when compared with the poverty situation after recurrent cash policy intervention (i.e. taking into account such recurrent cash measures as Comprehensive Social Security Assistance, Old Age Living Allowance, Old Age Allowance, education allowances), an additional 38 600 households (98 200 persons) were lifted out of poverty through non-recurrent cash measures in 2015 (including assistance programmes offering cash subsidies under the Community Care Fund (CCF) and relief measures introduced in the Budget). And the poverty rate was further reduced by 1.5 percentage points (please refer to paragraph 3 of Box 2.1 in Appendix 2 for details). According to the information of the Census and Statistics Department, if only the results of CCF cash subsidy programmes in poverty alleviation were taken into account, 7 400 households (25 400 persons) were lifted out of poverty and the poverty rate was thus reduced by 0.38 percentage point.

3. When evaluating the effectiveness of non-recurrent cash measures in poverty alleviation, not all cash subsidy programmes under the CCF were

¹ Apart from cash subsidy assistance, the Community Care Fund (CCF) provides in-kind assistance programmes (such as the “Subsidy to meet lunch expenses for students from low-income families studying in whole-day primary schools” implemented under the CCF earlier and incorporated into the government’s regular assistance programme since the 2014/15 school year). Being not actual cash subsidies, these in-kind assistance programmes will be categorised into in-kind programmes under the poverty line analysis for the evaluation of their effectiveness in poverty alleviation. In this document, the effectiveness of these in-kind programmes in poverty alleviation has not been taken into account.

included in the imputation² as it was difficult to identify the beneficiaries of some programmes.

4. As the CCF serves the function of plugging gaps in the existing system and the cash subsidy is one-off in nature, its effectiveness in poverty alleviation is apparently different from that of recurrent cash benefits.

² For example, the data of “General Household Survey” adopted in the poverty line analysis does not include information of whether there are any special school students. Therefore, the “Extra travel subsidy for needy special school students” cannot be considered in the imputation.

2.IV Poverty Situation and Policy Effectiveness in Poverty Alleviation

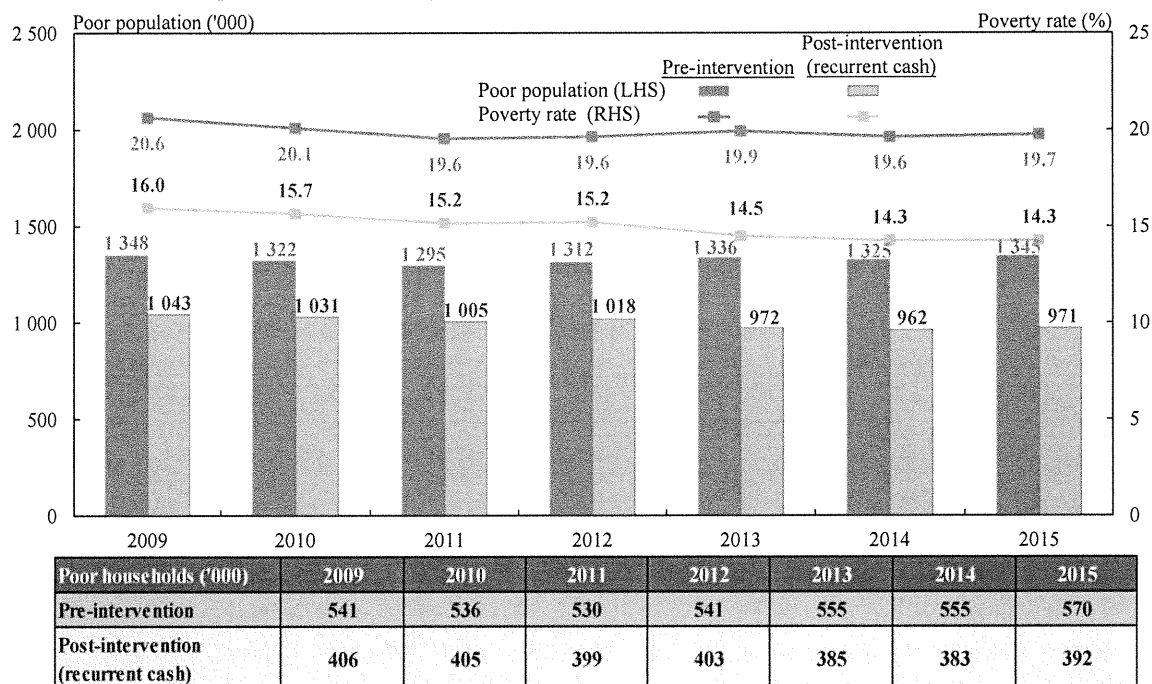
2.16 Despite further improvements in income, the poverty rate before policy intervention edged up to 19.7% amid continuous population ageing, shrinking average household size and broadly accelerated rises in the poverty line thresholds, though still 0.9 percentage point lower than the 2009 figure. After policy intervention, the poverty rate in 2015 stayed at 14.3% and the poor population remained below the one million mark for the third consecutive year. The following section will analyse in detail the poverty indicators¹⁸ under the poverty line framework.

(a) Overall

2.17 In 2015, **before policy intervention**, the number of poor households, the size of the poor population and the poverty rate were 569 800, 1 345 000 and 19.7% respectively. When compared with 2014, the number of poor households increased by 14 600 or 2.6%, the poor population grew by 20 200 persons or 1.5%, and the poverty rate edged up by 0.1 percentage point. **After policy intervention (recurrent cash)**, the corresponding figures were 392 400 households, 971 400 persons and 14.3%. When compared with 2014, the post-intervention poverty rate remained unchanged, at the lowest level since 2009 (**Figure 2.9**). The number of poor households and the size of the poor population were slightly up alongside the overall population growth.

18 Please refer to **Appendix 2** for the definitions of different poverty indicators.

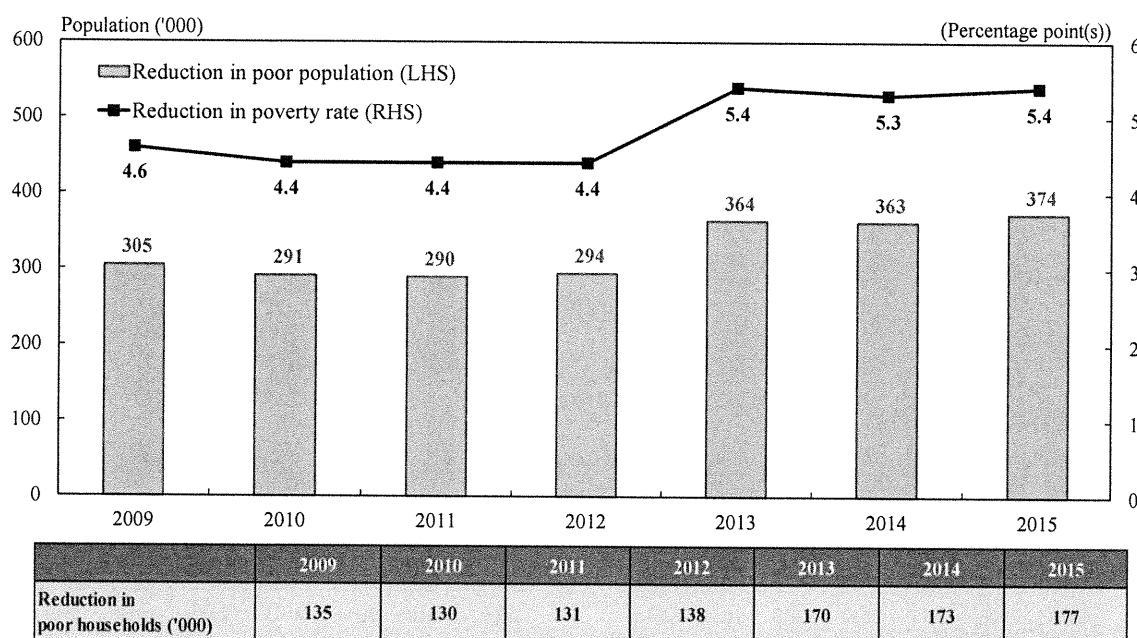
Figure 2.9: Poor population and poverty rate, 2009-2015



Source: General Household Survey, Census and Statistics Department.

2.18 Comparing the poverty indicators before and after policy intervention facilitates the assessment of policy effectiveness in poverty alleviation. In overall terms, the Government's recurrent cash benefits in 2015 lifted 177 400 households, comprising 373 500 persons, out of poverty; this resulted in a significant reduction in the poverty rate by 5.4 percentage points, which was slightly higher than that in 2014 (**Figure 2.10**). This shows that the Government's efforts in poverty alleviation in the past few years have continued to yield significant positive results.

Figure 2.10: Effectiveness of recurrent cash benefits in poverty alleviation, 2009-2015



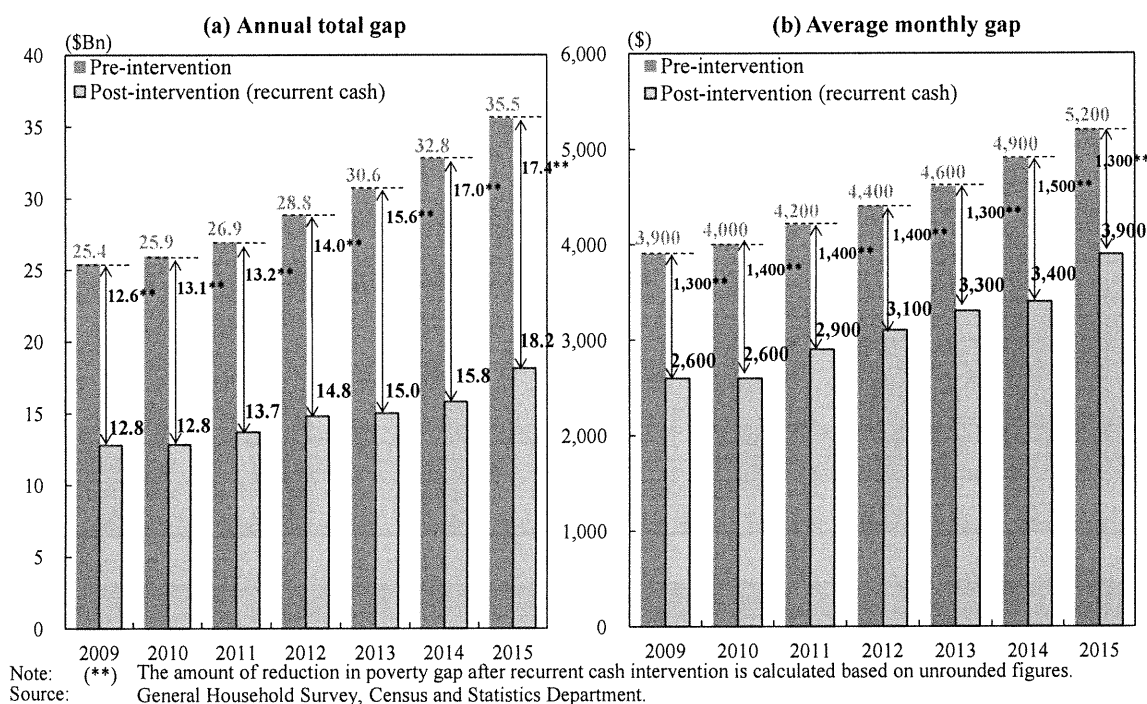
Source: General Household Survey, Census and Statistics Department.

2.19 Regarding the poverty gap¹⁹, the average pre-intervention poverty gap of households that were below the poverty line widened further given the following factors: the proportion of economically inactive poor households increased with population ageing; more working households were out of poverty due to further income improvement; and the rise in poverty line thresholds generally accelerated in 2015. The various poverty alleviation measures of the Government could provide some relief to these poor households. In 2015, the post-intervention total annual and average monthly poverty gaps were \$18.2 billion and \$3,900 respectively. As compared with the pre-intervention figures (\$35.5 billion per annum and \$5,200 per month respectively), the total poverty gap after policy intervention narrowed drastically by nearly half, or \$17.4 billion. Meanwhile, the average monthly poverty gap was also reduced substantially after policy intervention²⁰ (Figure 2.11).

19 Unlike the poverty incidence and poverty rate which measure the “extent” of poverty, the poverty gap aims at estimating the “depth” of poverty, i.e. the amount of money theoretically required to pull poor households back to the level of the poverty line. This poverty indicator, which is commonly used internationally, can provide a useful reference for monitoring poverty and formulating relevant policies.

20 It is worth noting that the total amount of benefits is usually higher than the reduction in the total poverty gap before and after policy intervention, since non-poor households could also benefit from a considerable number of policy items.

Figure 2.11: Poverty gaps, 2009-2015



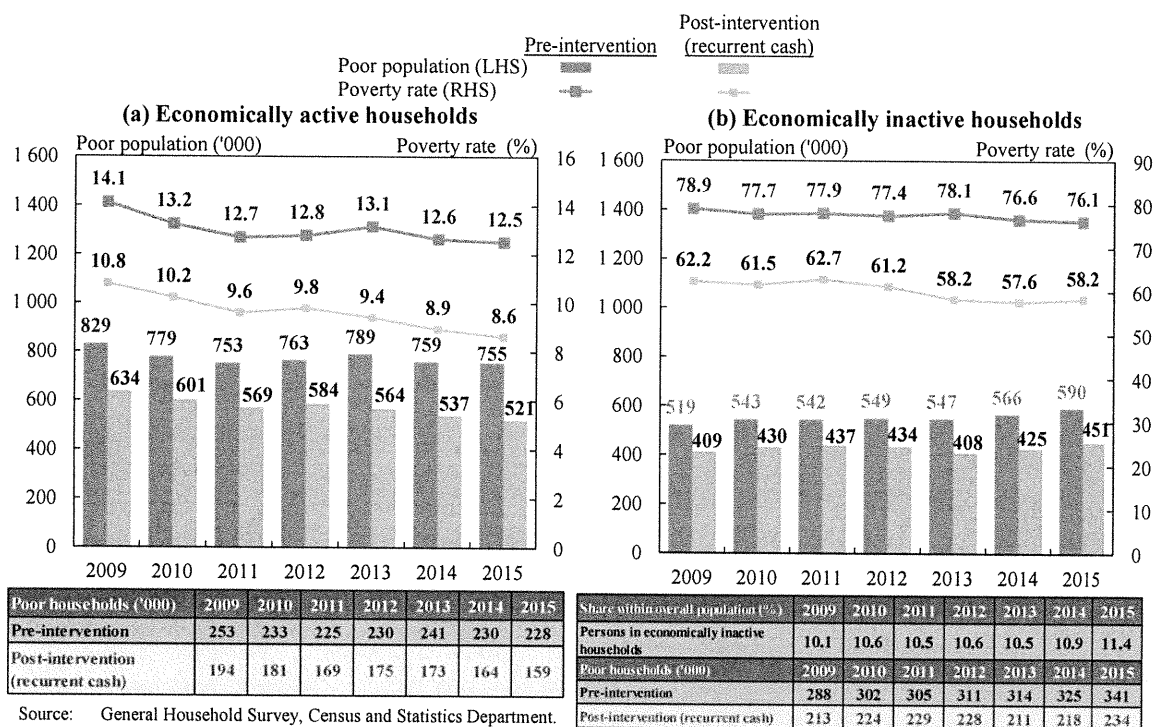
(b) Analysed by economic characteristic of households

2.20 The labour market held largely stable in 2015 and employees' income continued to improve in general. This, coupled with the generally upgraded skill level of the labour force, helped lift more working households out of poverty through improvements in employment earnings. **Before policy intervention**, the size of the poor population and the poverty rate of economically active households were 755 200 and 12.5% respectively, down by 4 000 persons and 0.1 percentage point correspondingly when compared with 2014 (**Figure 2.12(a)**). In particular, the aforementioned poverty rate hit its lowest level since 2009. Within the total, the poor population of working households shrank marginally by 0.1%, while that of unemployed households dwindled by 5.9% over a year earlier, reflecting a reduction in the overall number of unemployed households and their population in a state of full employment.

2.21 **After policy intervention (recurrent cash)**, the population of poor economically active households was reduced to 520 600 persons and the poverty rate fell to 8.6%, both down to the lowest levels in the past seven years. Comparing the pre- and post-intervention poverty statistics, recurrent cash benefits in 2015 helped lift 234 600 persons out of poverty, bringing down the poverty rate by 3.9 percentage points. Both figures improved further from those in 2014 (222 400 persons and 3.7 percentage points respectively) and hit record highs in the past seven years. With the launch of

LIFA in 2016, the poverty situation of some economically active households is expected to see further improvement.

Figure 2.12: Poor population and poverty rate by economic characteristic of households, 2009-2015



2.22 As regards economically inactive households, the poverty rate **before policy intervention** was 76.1%, likewise the lowest in seven years. Yet, the population in the corresponding households increased by 24 200 persons (**Table 2.2**), among whom about 70% were elders aged 65 and above. Meanwhile, the poverty rate **after policy intervention** rose by 0.6 percentage point to 58.2%. Against the backdrop of population ageing and the rising number of retired elderly households, the number of economically inactive poor households and their population increased both before and after policy intervention. As regards the effectiveness of the poverty alleviation policies, 139 000 persons in these households were lifted out of poverty by recurrent cash benefits in 2015, and the reduction in the poverty rate was 17.9 percentage points (**Figure 2.12(b)**).

Table 2.2: Pre- and post-intervention poor households and population and their annual changes by economic characteristic of households, 2015

	Poor households ('000)				Poor population ('000)			
	2014	2015	Annual change [@]	Change compared with 2009 [@]	2014	2015	Annual change [@]	Change compared with 2009 [@]
Pre-intervention								
Economically active households	230.0	228.3	-1.6	-24.3	759.2	755.2	-4.0	-74.2
Working households	208.0	207.3	-0.6	-5.9	705.5	704.7	-0.9	-20.5
Unemployed households	22.0	21.0	-1.0	-18.4	53.6	50.5	-3.1	-53.7
Economically inactive households	325.2	341.5	+16.2	+53.0	565.6	589.8	+24.2	+70.8
Overall	555.2	569.8	+14.6	+28.7	1 324.8	1 345.0	+20.2	-3.4
Post-intervention (recurrent cash)								
Economically active households	164.3	158.7	-5.6	-35.0	536.8	520.6	-16.2	-113.6
Working households	145.6	141.1	-4.5	-19.3	491.7	477.4	-14.2	-65.8
Unemployed households	18.7	17.6	-1.0	-15.7	45.1	43.2	-1.9	-47.7
Economically inactive households	218.3	233.6	+15.4	+21.1	425.3	450.8	+25.5	+41.6
Overall	382.6	392.4	+9.8	-13.9	962.1	971.4	+9.3	-71.9

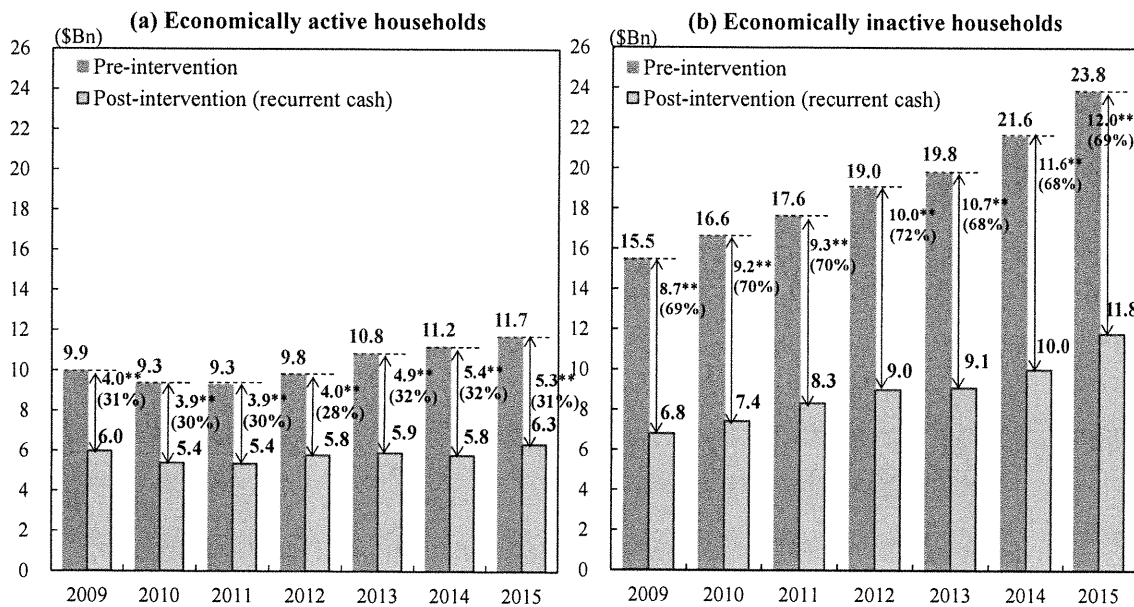
Note: (@) The changes are computed based on unrounded figures.

Source: General Household Survey, Census and Statistics Department.

2.23 In 2015, the **pre-intervention** poverty rates of both economically active and inactive households fell. However, population ageing sped up the rise (to 11.4%) in the proportion of the population in economically inactive households among the overall population, and since their poverty rate was higher than that of economically active households, the overall poverty rate before policy intervention went up instead.

2.24 Analysing the policy effectiveness in terms of the poverty gap, recurrent cash benefits helped narrow the total poverty gap in 2015 by \$17.4 billion, from \$35.5 billion before intervention to \$18.2 billion after intervention. Nearly 70% (\$12.0 billion) of this reduction was attributable to economically inactive households below the poverty line before policy intervention (**Figure 2.13**).

Figure 2.13: Annual total poverty gap by economic characteristic of households, 2009-2015



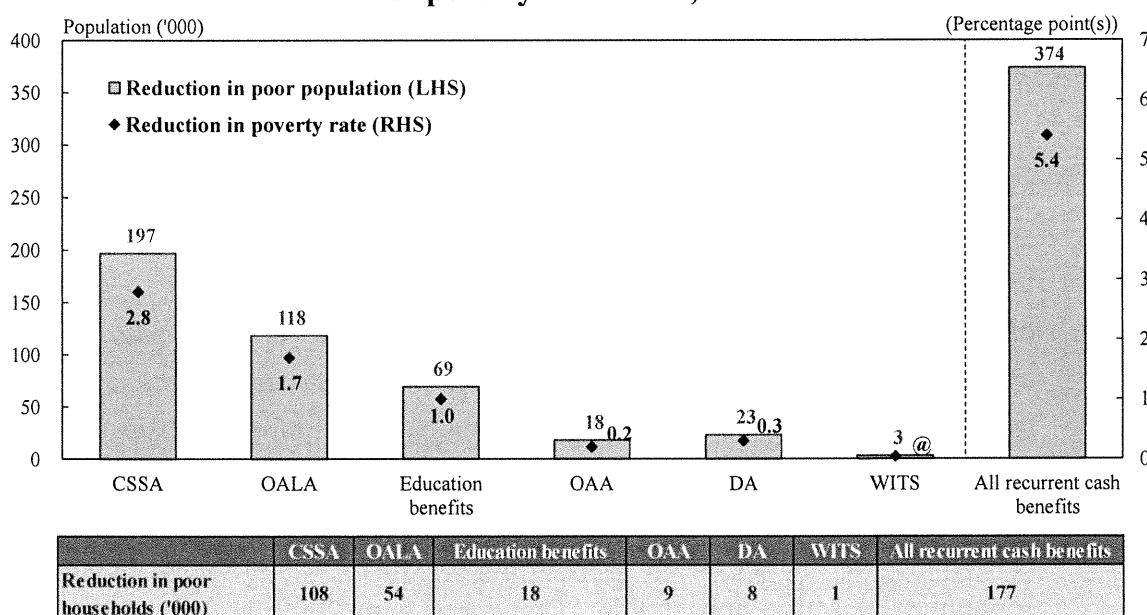
Notes: (**) The amount of reduction in total poverty gap after recurrent cash intervention is calculated based on unrounded figures.
 () Figures in parentheses denote the shares in total reductions.
 Source: General Household Survey, Census and Statistics Department.

2.25 In sum, the size of the poor population (**after policy intervention**) increased by 9 300 persons in 2015 as compared with 2014. The increase was mainly attributable to the notable rise in poor persons in economically inactive households by 25 500 persons (many being elders), though this was partly offset by a reduction of 16 200 poor persons in economically active households (**Table 2.2**). The former shows that the structural uptrend in the number of retired elders under population ageing continued to exert upward pressure on the poverty indicators defined solely by income. Meanwhile, the latter reflects the benefits from the stable macroeconomic conditions and favourable job market on the general improvement in household income of economically active households. Compared with 2009, both working and unemployed households registered notable cumulative declines in their poor population in 2015, while only those in economically inactive households logged a rise. These starkly opposite trends between the two also highlight their counteracting impacts of employment and population ageing on poverty figures. Meanwhile, the Government has been providing support to grassroots citizens through various recurrent cash benefits. In 2015, the poverty situation after policy intervention improved markedly over the pre-intervention situation. The following section further analyses the effectiveness of various measures in poverty alleviation.

(c) Poverty alleviation effectiveness of selected recurrent cash items

2.26 In 2015, recurrent cash policies successfully lifted 177 400 households (373 500 persons) out of poverty, reducing the poverty rate by 5.4 percentage points. Among the various recurrent cash items, CSSA remained the most effective poverty alleviation measure, lifting some 108 100 households (197 000 persons) out of poverty and resulting in a reduction of the poverty rate by 2.8 percentage points after policy intervention. OALA also yielded promising results in poverty alleviation, lifting 53 700 households, i.e. 118 300 persons (including 78 200 elders and 40 100 family members residing therein) out of poverty and lowering the overall poverty rate by 1.7 percentage points. Its effectiveness is second only to CSSA (Figure 2.14).

Figure 2.14: Effectiveness of selected recurrent cash benefits in poverty alleviation, 2015



Note: (@) Less than 0.05 percentage point.
Source: General Household Survey, Census and Statistics Department.

2.27 It should be noted that, according to the core analytical framework of the poverty line adopted by CoP, only recurrent cash benefits were considered when conducting the policy effectiveness assessment as illustrated above. The results in policy alleviation would be even more visible when non-recurrent cash or in-kind benefits are taken into account. Poverty figures and their changes after factoring in non-recurrent cash benefits are set out in **Box 2.1** for supplementary reference. **Box 2.2** examines the poverty figures when means-tested (income / asset tests) in-kind benefits, such as PRH provision are taken into consideration.

A2 Quantitative Indicators of the Poverty Line

A2.1 The quantitative indicators in this Appendix are widely adopted internationally. For details, please refer to Haughton and Khandker (2009) and Rio Group (2006).

Table A.2: Quantitative indicators of the poverty line

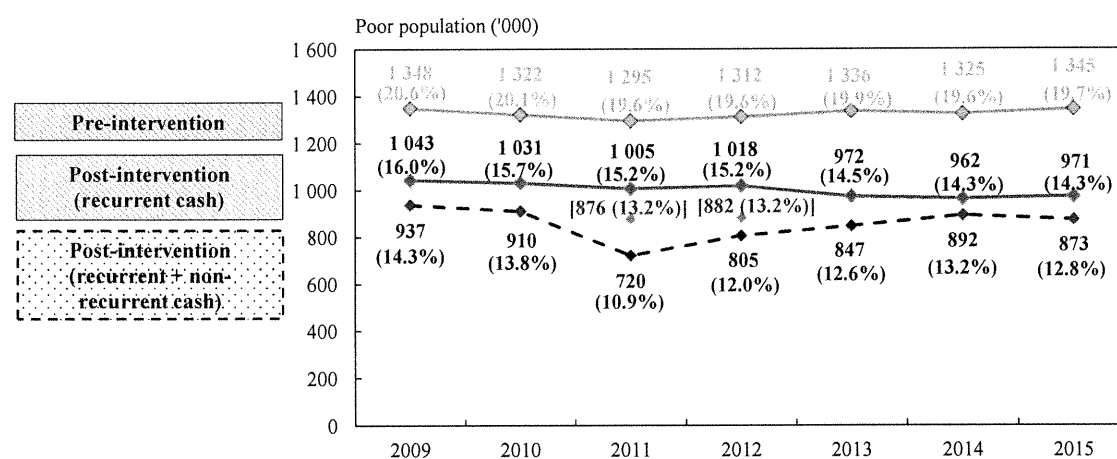
Indicator	Detailed definition
1. Poverty incidence	<p>Poverty incidence (n) can be divided into the following two categories:</p> <p>(i) Number of poor households (k): the number of households with household incomes below the poverty line.</p> <p>(ii) Poor population (q): the number of persons living in poor households.</p> <p>Poverty incidence is the main indicator for measuring the extent of poverty.</p>
2. Poverty rate	<p>Poverty rate (H_p) is the proportion of the poor population (q) within the total population living in domestic households (N_p):</p> $H_p = \frac{q}{N_p}$
3. Total poverty gap	<p>Total poverty gap (G_t) is the sum of the difference between the income (y_i) of each poor household (k_i) and the poverty line (z):</p> $G_t = \sum_{i=1}^k (z - y_i)$ <p>It represents the total amount of fiscal expenditure theoretically required for eliminating poverty. It is the main indicator for measuring the depth of poverty.</p>
4. Average poverty gap	<p>Average poverty gap (G_a) is the total poverty gap (G_t) divided by the number of poor households (k):</p> $G_a = \frac{G_t}{k}$ <p>The average poverty gap represents the average amount of fiscal expenditure theoretically required to eliminate poverty for each poor household.</p>

Box 2.1

Poverty Situation after Taking into Account
Non-Recurrent Cash Benefits

Apart from recurrent cash benefits, the Government has also provided many non-recurrent cash benefits²² (including one-off measures) in recent years to relieve the burden of citizens, including the provision of rates waivers, rent payments for public housing tenants, additional social security payments, etc., which involve a considerable amount of public funds every year. At the same time, the CCF has also launched various programmes to provide support to underprivileged and grassroots families. While the core analytical framework of assessing the policy effectiveness in poverty alleviation only covers recurrent cash benefits, the impact of non-recurrent cash items should not be overlooked. This box article analyses the poverty situation in Hong Kong after taking into account non-recurrent cash measures.

Figure 2.17: Poor population and poverty rate after taking into account non-recurrent cash benefits, 2009-2015



Poor households ('000)	2009	2010	2011	2012	2013	2014	2015
Pre-intervention	541	536	530	541	555	555	570
Post-intervention (recurrent cash)	406	405	399	403	385	383	392
Post-intervention (recurrent + non-recurrent cash)	361	354	281 [339]	312 [341]	333	355	354

Notes: () Figures in parentheses denote the corresponding poverty rates.

[] Figures in square brackets denote the corresponding poverty figures, taking into account non-recurrent cash benefits, with the effect of "Scheme \$6,000" excluded. As "Scheme \$6,000" was covered in 2011 and 2012 only, there were no corresponding figures for other years.

Source: General Household Survey, Census and Statistics Department.

2. The latest statistics after policy intervention (recurrent + non-recurrent cash) show that the number of poor households and the size of the poor population fell from 355 400 and 891 900 in 2014 to 353 800 and 873 300 in 2015, and the poverty rate

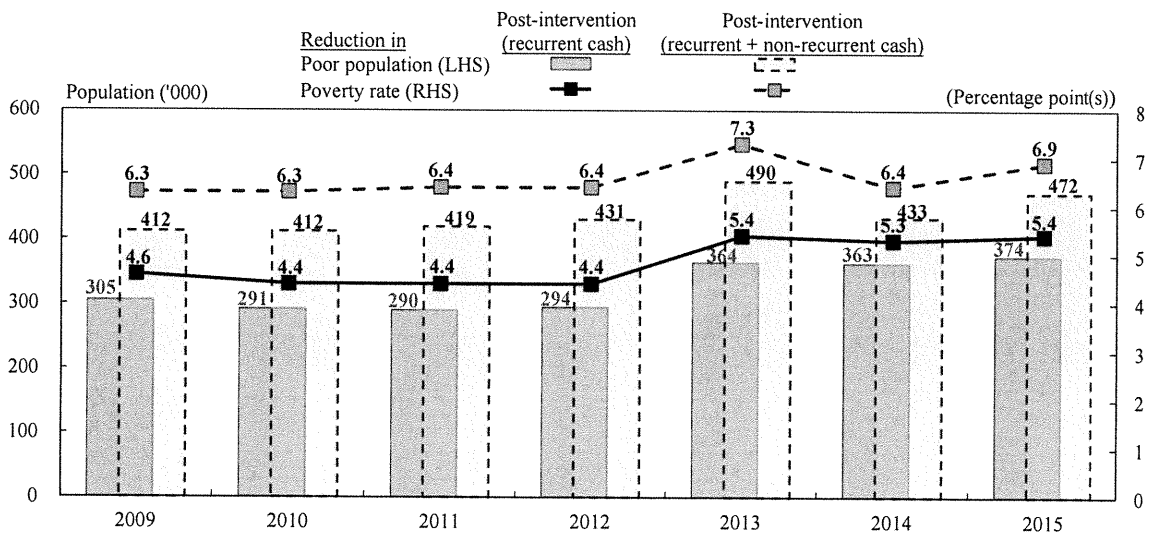
22 For the coverage and estimation of non-recurrent cash benefits, please refer to **Appendix 3**.

Box 2.1 (Cont'd)

also declined from 13.2% to 12.8% (**Figure 2.17**)²³, mainly due to the increase in the monetary amount of non-recurrent cash subsidies in 2015 as compared with 2014. In the 2015/16 financial year, for instance, the Government provided recipients of CSSA, OAA, OALA and DA with two additional months of allowance, which was more than one additional month of allowance provided in the previous year. Furthermore, the CCF also provided a one-off special subsidy for full grant students under the School Textbook Assistance Scheme before launching the Low-income Working Family Allowance Scheme.

3. As compared with the situation when only recurrent cash benefits are taken into account, an additional 38 600 households (98 200 persons) were lifted out of poverty through non-recurrent cash measures in 2015, and the poverty rate was thereby further reduced by 1.5 percentage points (**Figure 2.18**). Please refer to **Appendix 5** for the corresponding detailed poverty statistics.

Figure 2.18: Effectiveness of non-recurrent cash benefits in poverty alleviation, 2009-2015



Reduction in poor households ('000)	2009	2010	2011	2012	2013	2014	2015
Post-intervention (recurrent cash)	135	130	131	138	170	173	177
Post-intervention (recurrent + non-recurrent cash)	180	181	192	199	222	200	216

Note: Excluding the effect of "Scheme \$6,000".
Source: General Household Survey, Census and Statistics Department.

23 As shown in **Figure 2.17**, the one-off "Scheme \$6,000" was covered only in 2011 and 2012. This was the main factor behind the more prominent declines in the poor population and the poverty rate in these two years. After including the effect of "Scheme \$6,000", the poor population and the poverty rate in 2011 (and 2012) were 720 200 (804 900) and 10.9% (12.0%) respectively. This also demonstrates the additional fluctuation in poverty figures caused by non-recurrent measures.

Box 2.1 (Cont'd)

4. Nevertheless, it is worth noting that non-recurrent cash benefits are much less cost-effective in alleviating poverty than recurrent cash measures. The estimated proportion of recurrent cash benefit transfers received by poor households was 66.3%, while that of non-recurrent cash items was merely 17.3%. This is because some of the non-recurrent cash measures²⁴ adopted income thresholds that are far more lenient than the poverty line, or are even without income tests. Since these measures are not targeted at poor households, their cost-effectiveness in poverty alleviation is thus lower than that of recurrent cash benefits mainly targeted at grassroots citizens.

24 However, programmes funded by the CCF aim at assisting people with financial difficulties, e.g. the “One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA” assistance programme. It should also be pointed out that low-income households benefiting from non-recurrent cash items under the CCF programmes might also be covered by other measures, with a considerable composite effect of poverty alleviation.

A3 Policy Intervention - Coverage, Estimation and Limitations

A3.1 Currently, household income data collected in the GHS of C&SD only include household members' employment earnings and investment income (including regularly received rents, dividends, etc.), regular monthly social security payments (such as CSSA, OAA, etc.) and other non-social-transfer cash income (i.e. basic income).

A3.2 Given that one of the major functions of the poverty line is to assess the effectiveness of poverty alleviation measures, it is necessary to further estimate the changes in household income before and after policy intervention. The ensuing paragraphs generally describe the coverage of these policy intervention measures (**Table A.3**) and their corresponding estimation methodologies.

A3.I Policy Items Included in the Estimation of the Main Poverty Statistics

(a) Taxation

A3.3 Taxation includes (i) salaries tax paid by household members; (ii) property tax; and (iii) rates and Government rent paid by households.

A3.4 The amount of salaries tax is estimated mainly based on the information provided by respondents of the GHS on employment earnings and household composition. The amount of property tax is imputed based on property rental income as reported, while the imputation of rates and Government rent are based primarily on the relevant data by type of housing (PRH: administrative records provided by the Housing Authority and the Housing Society; private housing: the 2011 Population Census results).

(b) Recurrent cash benefits

A3.5 Recurrent cash benefits can primarily be categorised into the following two types:

- **Social security payments:** including CSSA, OAA, OALA and DA. As some GHS respondents were unwilling to reveal their social security status of whether they were receiving CSSA, C&SD has carried out a reconciliation exercise between the GHS database and Social Welfare Department's administrative records in order to obtain a more precise estimation of CSSA payments received by households; and

- **Other recurrent cash benefits:** referring to other Government measures that provide cash assistance to eligible households / persons, such as the Financial Assistance Scheme for Post-secondary Students, the WITS Scheme, etc. Since relevant data on these measures are not directly available from existing surveys, it is necessary for the corresponding bureaux / departments to provide relevant information from their administrative records, including the number of persons / households who benefited and their socio-economic characteristics (such as household income, age profiles of residents, etc.) for C&SD's data imputation. The amount of benefits is imputed to the income of persons / households estimated to be the beneficiaries.

A3.II Policy Items Regarded as Supplementary Information

(a) Non-recurrent cash benefits (including one-off measures)

A3.6 The Government has provided a number of non-recurrent cash benefits (including one-off measures) to the public in recent years. Although CoP considered that the core analytical framework should only cover recurrent cash benefits, the impact of non-recurrent cash benefits on the poverty situation should still be provided as supplementary information. The estimation methodology of these benefits is similar to that of recurrent cash benefits. **Box 2.1** of this Report provides an overview of the poverty statistics after factoring in non-recurrent cash benefits for reference.

(b) Means-tested in-kind benefits

A3.7 While considering that the core analysis should focus on the situation after recurrent cash policy intervention, CoP recognised the comparable significance of means-tested in-kind benefits as poverty alleviation measures. Thus, their effectiveness should also be evaluated as a reference for policy analysis. **Box 2.2** provides the analysis of poverty statistics after taking these means-tested in-kind benefits into account.

A3.8 Besides the estimation of means-tested in-kind benefits arising from PRH provision, the amounts of other means-tested in-kind benefits are also imputed by C&SD based on the socio-economic characteristics of beneficiaries (persons / households) sourced from the administrative records of the respective bureaux and departments. The amounts of benefits are then imputed to the income of eligible individuals / households.

A3.9 The methodology for estimating PRH benefits is controversial. The estimates also contribute substantially to the estimated sum of all in-kind benefits. Please refer to **Appendix 4** for details.

Table A.3: Detailed coverage of policy measures recommended by CoP**

Pre-intervention																																			
Taxation (salaries tax and property tax, as well as rates and Government rent payable by households)																																			
+																																			
Cash benefits																																			
<table border="1"> <thead> <tr> <th style="text-align: center;">Recurrent cash benefits</th> </tr> </thead> <tbody> <tr> <td>Social security payments</td> </tr> <tr> <td>➤ CSSA, OAA, OALA and DA</td> </tr> <tr> <td>Other cash benefits</td> </tr> <tr> <td>➤ School Textbook Assistance Scheme (including the Enhancement of the Flat-rate Grant under the School Textbook Assistance Scheme⁺)</td> </tr> <tr> <td>➤ Student Travel Subsidy Scheme</td> </tr> <tr> <td>➤ Tuition Fee Reimbursement for Project Yi Jin Students</td> </tr> <tr> <td>➤ Financial Assistance Scheme for Post-secondary Students</td> </tr> <tr> <td>➤ Tertiary Student Finance Scheme - Publicly-funded Programmes</td> </tr> <tr> <td>➤ Transport Support Scheme</td> </tr> <tr> <td>➤ WITS Scheme</td> </tr> <tr> <td>➤ Grant for Emergency Alarm System</td> </tr> <tr> <td>➤ Examination Fee Remission Scheme</td> </tr> <tr> <td>➤ Subsidy Scheme for Internet Access Charges</td> </tr> <tr> <td>➤ Child Development Fund Targeted Savings Scheme - 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A3.III Measures Not Included

A3.10 For universal in-kind benefits without means tests, such as public medical services and education, CoP's decision was that these measures should not be included in the framework as they are neither targeted nor means-tested and all citizens in the general public are able to enjoy them.

A3.IV Limitations

A3.11 CoP understood that the estimates of these benefits are subject to the following major limitations:

- (i) **Estimation subject to statistical errors:** data inconsistencies exist in terms of classifications and definitions between the data collected from the GHS and administrative records. Also, detailed information regarding some benefit items to be estimated (e.g. the socio-economic characteristics of recipients) is unavailable. All these could give rise to statistical errors;
- (ii) **Estimation results involve randomness:** due to data limitations of the GHS (e.g. data on household assets are unavailable), it may not be possible to identify exactly the eligible individuals / households from the survey even if detailed profiles are available from administrative records. Only individuals / households with characteristics closest to the eligibility criteria will be randomly selected from the database for imputation. In other words, the resulting estimated poverty figures are only one of the many possible random allocation outcomes;
- (iii) **Time series data before 2009 are unavailable:** due to data limitations, statistics on taxation and benefit transfers before 2009 are not available; and
- (iv) **Figures different from those regularly released by the Government:** all the additional figures in the Report are specifically estimated for setting the poverty line, which will inevitably alter the distributions of original household income. Hence, the relevant statistical figures would naturally deviate, to a certain degree, from those in the Quarterly Report on General Household Survey regularly released by C&SD. The two sets of data are not strictly comparable due to their differences in estimation methodology.

A3.12 Due to the above limitations, the poverty figures should be studied with care to avoid any misinterpretations of the statistics.