Oxfam Hong Kong's Submission to the Joint Consultation on the First Five-Year Plan and the 2026 Policy Address

August 2026

Hong Kong's economy has continued to recover, recording growth in the second quarter of 2026. According to advance estimates, real GDP expanded by 4.3% compared with the same quarter last year.[1] However, overall economic growth does not fully reflect the circumstances faced by different social groups. Ongoing structural changes in the economy and population have posed significant challenges for low-income households. The latest Household Expenditure Survey shows that average monthly household spending in 2024/25 fell by 1.0% compared with 2019/20 (in real terms)[2], indicating that purchasing power has been under pressure and grassroots families are finding it increasingly difficult to cope with rising living costs.

As an international poverty alleviation organisation, Oxfam Hong Kong (OHK) notes the Government's publication in June of the *Report on Impact of Targeted Poverty Alleviation Strategy in Hong Kong* ("the Report"), which provides an important reference for society to better understand poverty trends and directions for alleviation. We consider that the *First Five-Year Plan for Hong Kong* should serve as a long-term blueprint, setting poverty reduction targets through macro indicators, identifying groups in need, and continuously monitoring improvements in their living conditions. The *Policy Address*, on the other hand, serves as an annual policy instrument which should operate within the framework of the Five-Year Plan, adjusting measures to meet the specific needs of different groups.

OHK considers that poverty alleviation over the next five years should move from *precise targeting* towards *precise investment*. Building on an accurate understanding of the needs of vulnerable groups, public resources should be allocated more strategically to enhance policy effectiveness. In the face of fiscal challenges, the Government should harness technological innovation and data analysis to drive poverty alleviation, and adopt a tripartite collaboration model involving government, businesses and the community. This approach would promote the participation of disadvantaged groups in economic development, while strengthening both income security and social protection. These priorities should form the core of this year's *Policy Address*.

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[1] Advance Estimates of Gross Domestic Product for the Second Quarter of 2026 [31 July 2026]: https://www.censtatd.gov.hk/tc/press_release_detail.html?id=5786

[2] Report on the 2024/25 Household Expenditure Survey: https://www.censtatd.gov.hk/tc/wbr.html?ecode=B10600032025XXXX&scode=290

To this end, OHK puts forward five recommendations:

- **More effective identification** of groups living in poverty.
- **Enhancing employment resilience** among grassroots communities.
- **Promoting a living wage** to address in-work poverty.
- **Strengthening healthcare and community support** for elderly.
- **Reducing the education expenditure burden** on low-income families to foster upward mobility.

1. Strengthening the Framework for Targeted Poverty Alleviation: Identifying Vulnerable Groups and Defining Poverty

At present, the Government's targeted poverty alleviation work relies mainly on age, housing and marital status as criteria, focusing support on elderly, subdivided unit households and single-parent families, while exploring the inclusion of carers as a priority group. OHK believes the Government should **broaden the demographic characteristics used to identify vulnerable groups, incorporating factors such as gender, ethnicity, employment status and health condition**. This would enable a more comprehensive analysis of the circumstances and needs of different populations, including grassroots women, ethnic minorities, persons with disabilities, and others facing barriers to employment or social participation.

Initiatives such as the *Community Living Room* and *Strive and Rise Programme* illustrate the Government's approach of providing multidimensional support beyond cash assistance. However, in a highly market-driven city like Hong Kong, poverty in education, health or housing is often directly linked to insufficient income and scarce resources. **Economic resources therefore remain the core basis for measuring poverty.** OHK suggests that, in addition to defining groups requiring social services, the Government should **adopt the macro "income factors" framework set out in the *Report* to identify those within groups who face economic hardship and resource deprivation**, thereby enabling more precise allocation of resources.

Looking ahead, how technology can be harnessed to improve the well-being of vulnerable groups will be a critical issue. Since 2023, OHK has served as an appointed intermediary of the Social Innovation and Entrepreneurship Development Fund (SIE Fund). Many of the projects we have approved deploy data analytics, digital platforms and artificial intelligence to address poverty. We recommend that the Government further increase resources for the SIE Fund, supporting the development of more innovative solutions, and making full use of data technology and AI to advance targeted poverty alleviation.

2. **Enhancing Employment Resilience among Grassroots Workers and Promoting Community Economy and Flexible Employment**

Shifts in consumption patterns among local residents and visitors have kept Hong Kong's retail and catering sectors subdued. At the same time, the continued implementation of labour importation policies makes it necessary for the Government to closely monitor their impact on employment, wages and working hours among grassroots workers.

According to the latest Census and Statistics Department figures, the unemployment rate for "services and sales workers" stood at 4.3%, while that for "elementary occupations" was 3.2%, both higher than the same period last year. [3] This indicates that the employment situation of some low-income workers remains a concern. OHK recommends that, **in addition to regularly reviewing labour supply and demand, the Government should also assess the effectiveness of employers' levies paid to the Employees Retraining Board (ERB).** [4] Key questions include whether levy levels are sufficient to support retraining for unemployed workers, whether ERB has responded to market demand by offering more designated "training-cum-placement" courses (such as healthcare assistants, grassroots green jobs in community recycling networks, or smart property management), and the proportion of trainees who achieve successful and sustained employment after completion of courses.

Beyond the formal labour market, both government and community stakeholders should actively create flexible job opportunities to support those who are unemployed, underemployed, or unable to participate in the labour market due to caring responsibilities. OHK suggests that **government departments could relax restrictions to revitalise vacant market stalls as "community economic experimental zones", allowing low-risk industries to operate and promoting community consumption circles through digital mapping**. At the same time, *Community Living Rooms* and transitional housing could serve as platforms for women's employment support — for example, opening kitchens for the production of handmade food items, or designating space for small-scale markets to increase household income. Since 2013, Oxfam Hong Kong has partnered with the Tung Chung Community Development Alliance to promote bazaar initiatives, providing training and entrepreneurial platforms for grassroots women

[3] Unemployment and Unemployment Rate by Previous Occupation, Age and Sex (April–June 2026): https://www.censtatd.gov.hk/tc/web_table.html?id=210-06407#

[4] Employers approved to import labour are required to pay a levy to the Employees Retraining Board (ERB) for the purpose of strengthening training and retraining of local workers. The levy for each imported worker must be paid in one lump sum, calculated at HK$400 multiplied by the number of months specified in the 'Standard Employment Contract', subject to a maximum of 24 months: https://www.labour.gov.hk/tc/plan/iwESLS.htm

and middle-aged individuals seeking economic participation. Participants typically earn at least HK$800 per session on average, thereby expanding grassroots income sources while offering affordable goods to residents. This model has further extended to renting vacant market stalls or collaborating with enterprises to organise bazaars, exploring sustainable pathways for grassroots entrepreneurship and community economic development.

3. Promoting a Living Wage to Safeguard Decent Lives of Grassroots Workers

In addition to regularly reviewing activation policies, it is essential to ensure that the wages of low-income workers are sufficient to meet basic living needs. With pay levels in grassroots occupations under pressure, the Government should further advance a tripartite poverty alleviation model involving government, businesses and the community, to create employment environments that are both decent and dignified. Since publishing the *Living Wage in Hong Kong* Research Report in 2018, OHK has adjusted the living wage level annually in line with inflation and consumption patterns. For 2026, the living wage is set at HK$64 per hour.

OHK recommends that, **when reviewing the statutory minimum wage each year, the Government should also publish the living wage level as a reference for employers with the capacity to adopt it voluntarily**. This could help enhance corporate reputation and improve the quality of life of grassroot workers and their families. As Hong Kong's largest employer, the Government should lead by example by paying the living wage to outsourced workers, thereby setting a positive precedent for the business sector. This would encourage more enterprises to practise responsible employment policies and help steer society towards a fairer and more sustainable future.

4. Harnessing Technology to Support the Healthcare of High-risk Elderly and Strengthen Community Care

Since 2025, the Government has piloted an inter-disciplinary and inter-organisation database for carers for early identification of high-risk cases in public housing estates, Housing Society estates and "three-nil" buildings, to support hidden high-risk elderly and carer households. We recommend that, once Care Teams have completed outreach work, the Government establish a continuous follow-up mechanism and strengthen collaboration with District Health Centres to ensure that elderly's health conditions are regularly monitored and addressed. OHK further suggests that the Government make greater use of technology to enhance care efficiency and safety, for example by promoting remote monitoring systems, smart sensors and emergency call devices, enabling elderly to receive immediate support at home and reducing accident risks. In 2025, OHK launched a pilot *Primary Healthcare AI Screening and Monitoring System*, teaching seniors to self-monitor vital signs daily via a mobile application and answer simple health surveys. This allows social workers and community health workers to monitor health remotely and intervene early when deterioration occurs, not only through medical referrals but also by providing community-based health interventions.

At present, waiting times for community and home-based care services remain excessively long. For example, the average waiting time for the *Home Care Service for Frail Elderly Persons* is 14 months, [5] leaving many moderately to severely frail elderly and their carers without timely support. Although the Government has expanded the *Community Care Service Voucher* Scheme ("Care Voucher") to allow those on waiting lists to purchase services directly, local partners report delays in voucher issuance, with many applicants waiting over a year without receiving them.

The authorities should regularly review the utilisation and effectiveness of Care Vouchers in each district and adjust service quotas and resource allocation according to actual demand. If carers are added as a poverty alleviation group in future, regular surveys of care expenditure should also be conducted, making use of existing home-care service networks and community organisations for case management and referral, to help carers access appropriate services more easily. OHK has also funded community partners to provide preventive support to carer households not covered by formal services — including those still waiting for services and mildly impaired elderly not eligible for application — to avoid further deterioration in health and living conditions due to insufficient care support.

5. Re-introducing the HK$2,500 Student Allowance to Ease the Education Expenditure Burden on Low-income Families and Promote Upward Mobility

While the Household Expenditure Survey provides a macro picture of overall living costs, it does not disaggregate the proportion of education spending among families with children. This makes it difficult to reflect the financial pressures faced by such households, particularly those on low incomes. OHK recommends that future surveys incorporate relevant indicators.

[5] Average Waiting Time for Subsidised Community Care Services for the Elderly: https://www.swd.gov.hk/storage/asset/section/1021/tc/LTC%20Statistics%20CCS(Chi)(Jun%202026).pdf

Reference can be drawn from Oxfam's survey of service needs among low-income subdivided flat households conducted between June and August 2026, which collected 227 valid responses from families with at least one child aged 18 or below. Results show that these families had a median monthly income of HK$17,000 and median monthly expenditure of HK$16,500, with median education spending already reaching HK$2,000. The financial strain is especially acute at the start of a school term, when book and stationery costs are added. Even households eligible for full textbook subsidies must still cover residual expenses, which for families already living hand-to-mouth can represent a significant additional burden.

In light of this, **OHK proposes reinstating a one-off, non-means-tested student allowance of HK$2,500 per academic year** to relieve the extra pressure of school-related expenses. Survey results show that over 80% of respondent families (n=227) support the reintroduction of this measure, underscoring its urgency. Such an allowance would not only directly ease the heavy education expenditure burden but also help families cover monthly tutoring fees, interest classes and extracurricular activities, enabling children to enjoy balanced learning and development beyond basic education. This arrangement would complement existing subsidy schemes and more effectively support the growth and upward mobility of children from low-income families. OHK further recommends that **the Government review and adjust the allowance amount in line with the actual timetable for textbook revisions in different subjects, ensuring that support keeps pace with changing costs**. Schools should also be encouraged to implement a *textbook lending scheme*, providing sets of textbooks for circulation among students from low-income families, so that they need only purchase workbooks, thereby further reducing education expenses.

Conclusion

Although Hong Kong's economy continues to recover, grassroots families remain burdened by living costs and employment pressures. Over the next five years, poverty alleviation must move from *precise targeting* to *precise investment*, concentrating resources on groups at highest risk of poverty. The Government should conduct regular reviews of policy effectiveness, also advance measures in areas such as living wages, labour retraining, community economy, elderly care, and education support for children and young people. Through collaboration between government policy, business resources and community organisations, it is possible to strengthen income security and employment resilience for grassroots workers, while enhancing health support for elderly and carers. Only by aligning economic growth with social protection can Hong Kong build a fairer, more resilient and more sustainable future.