

立法會
Legislative Council

LC Paper No. FC59/01-02
(These minutes have been
seen by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 7th meeting
held at the Legislative Council Chamber
on Friday, 1 February 2002, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, JP
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon Bernard CHAN
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum

Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon MA Fung-kwok

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Dr Hon LUI Ming-wah, JP
Hon James TO Kun-sun
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-yee, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Audrey EU Yuet-mee, SC, JP

Public officers attending:

Miss Denise YUE, GBS, JP	Secretary for the Treasury
Mr Stanley YING, JP	Deputy Secretary for the Treasury
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mrs Carrie LAM, JP	Director of Social Welfare
Mrs Brenda FUNG	Principal Assistant Secretary for Health and Welfare

Mr Robin GILL, JP
Mr LEE Wing-wai
Mr Philip LAM

Deputy Secretary for Health and Welfare
Assistant Director of Social Welfare
Assistant Director of Home Affairs

Clerk in attendance:

Ms Pauline NG

Assistant Secretary General 1

Staff in attendance:

Miss Polly YEUNG
Miss Yvonne YU

Chief Assistant Secretary (1)3
Senior Assistant Secretary (1)4

The Chairman reminded members that the briefing on "Ex-gratia allowances relating to land resumption, clearance and marine works in Hong Kong waters" would be held immediately after the meeting of the Finance Committee (FC). However, if the meeting of FC could not be concluded in about an hour's time so as to allow some 60 minutes for the briefing, then, he would defer the briefing and re-schedule it to another date.

Item No. 1 - FCR(2001-02) 58

**RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 16 JANUARY 2002**

2. The Committee approved the proposal.

Item No. 2 -FCR(2001-02) 59

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 9 JANUARY 2002**

3. The Committee approved the proposal.

Item No. 3 - FCR(2001-02) 60

HEAD 170 - SOCIAL WELFARE DEPARTMENT

♦ Subhead 179 Comprehensive social security assistance scheme

4. Members noted that the present proposal had been discussed by the Panel on Welfare Services on 10 December 2001.

5. Mr Howard YOUNG expressed support for the present proposal. He recapped that at an interview with a concern group by Duty Roster Members on 31 January 2002, Members were informed that a single parent had to earn as much as \$4,500 a month in order to be eligible for the maximum level of monthly disregarded earnings of \$2,500. Given that single parents often had to take care of their family, they could hardly take up jobs requiring long working hours. As such, Mr YOUNG sought the Administration's comments on how far the proposed arrangements would benefit needy single parents.

6. In response, the Director of Social Welfare (DSW) advised that the provision of disregarded earnings is an important element of the Comprehensive Social Security Assistance (CSSA) Scheme to ensure that those who worked would not be financially worse off, thus providing an incentive for able-bodied CSSA recipients to find and maintain employment. At present, able-bodied single parents on CSSA were not required to participate in the Support for Self-reliance Scheme as a condition of receiving assistance if they had any child below 15 years of age. The proposal to increase the maximum level of monthly disregarded earnings under the "Ending Exclusion Project" (the Project) for single parents on CSSA was to provide them a choice of taking up paid employment, which could in turn boost their self-reliance.

7. Regarding the calculation of disregarded earnings, DSW concurred that under the existing formula (which had been in use since 1978), single parents had to earn \$4,549 a month to be eligible for the proposed maximum disregarded earnings of \$2,500. She explained that in overseas countries where a social security system was in place while assisted persons were also encouraged to take up employment, there were arrangements similar to disregarded earnings. In devising the relevant arrangements, a balance must be struck between providing financial incentives to work on the one hand and reducing the Government's payout of CSSA on the other hand. For illustration, DSW said that for a single-parent family of three members, the average CSSA payment was \$8,760 a month. Under the current proposal, if the single parent took up paid employment earning about \$4,000 a month, the total monthly household income comprising the wages retained and the CSSA would be increased to \$10,985.5. At the same time, CSSA payment to the family could be reduced by some \$1,700. DSW further informed members that public consultation, including visits to families on CSSA, had been conducted before launching the Project and many single parents were of the

view that increasing the maximum level of monthly disregarded earnings to \$2,500 was already a reasonable improvement.

8. Mr Howard YOUNG relayed the concerns expressed by the deputation during the DRM interview about the difficulty of single parents in obtaining child care service even if they held After School Care Programme (ASCP) coupons. In response, DSW advised that so far, a total of 134 youth centres all over the territory had confirmed in writing that they would participate in the ASCP. As such, DSW considered that there were sufficient centres to cater for the child care needs of single parents although such services could not be expected to meet all the requirements of individual families.

9. Mr LEE Cheuk-yan asked whether the Project would be extended to cover other needy families apart from single-parent families. He asked whether the Administration would consider setting a higher percentage of total disregarded earnings so as to provide a greater incentive for CSSA recipients to seek employment.

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10. In response, DSW confirmed that a review on disregarded earnings and related issues would be conducted in mid-2002, the results of which would be reported to the Panel on Welfare Services. She further advised that the CSSA system was designed to provide differential arrangements for different types of needy persons. Out of all CSSA recipients, 73% (mostly elderly or disabled person) were not required to participate in the Support for Self-reliance Scheme as a condition for receiving assistance. Of the remaining 27%, single parents whose youngest child was below 15 years of age were also not required to participate in the said Scheme while unemployed and low earnings able-bodied adults had to take part.

11. On incentives to encourage CSSA recipients to find employment, DSW informed members that these had been introduced from time to time. In 1999, the Administration decided to disregard the total earnings for the first month in every two years for CSSA recipients in paid employment. In June 2000, the requirement that CSSA recipients had to be employed for at least 120 hours and earn not less than \$3,200 a month in order to be eligible for disregarded earnings was abolished.

12. The Committee approved the proposal.

Item No. 4 - FCR (2001-02)61

HEAD 170 - SOCIAL WELFARE DEPARTMENT

◆ Subhead 179 Comprehensive social security assistance scheme

13. Members noted that the present proposal had been discussed at the meeting of the Panel on Welfare Services on 14 January 2002.

14. Dr YEUNG Sum said that Members of the Democratic Party (DP) supported the present proposal. As the CSSA Scheme provided a safety net for society and was not cash-limited, Dr YEUNG urged the Administration to continue its efforts to publicize the objectives of the Scheme in order that needy persons would not be deterred from applying for assistance. Noting Dr YEUNG's concern, DSW said that in seeking supplementary provision while the actual shortfall was yet to be confirmed, the Government had demonstrated its commitment to ensure that assistance would be available to those in need.

15. While expressing support for the present proposal, Mr LEE Cheuk-yan considered that the Administration should convey the right message about unemployed able-bodied adults receiving CSSA. He pointed out that at present, the majority (over 70%) of CSSA recipients were elderly and disabled persons. The number of unemployed persons on CSSA was about 27 000 out of a total of some 210 000 unemployed persons in Hong Kong. Mr LEE also urged the Administration to ensure that needy persons such as low-income earners would not be deterred from applying to the Social Welfare Department (SWD) for assistance under the CSSA Scheme. In response, DSW advised that the Administration had improved and strengthened the transparency of the existing CSSA system and re-affirmed the Administration's commitment to providing a safety net for those in need.

16. The Committee approved the proposal.

Item No. 5 - FCR(2001-02)62

HEAD 149 - GOVERNMENT SECRETARAIT :

HEALTH AND WELFARE BUREAU

◆ Subhead 700 General other non-recurrent

New Item “Community Investment and Inclusion Fund”

17. Members noted that the Panel on Welfare Services had been consulted on the present proposal on 14 January 2002.

18. On behalf of Members of DP, Dr YEUNG Sum expressed support for the present proposal and thanked the Administration for incorporating

members' views on the Community Investment and Inclusion Fund (CIIF), such as the types of projects eligible for funding. He urged the Administration to implement the project on an ongoing basis if the results of the evaluation on the CIIF confirmed that it was effective in meeting the objectives of promoting mutual care and community participation.

19. Mr IP Kwok-him stated that Members of the Democratic Alliance for Betterment of Hong Kong supported the present proposal. He enquired how the Administration would publicize the Fund with a view to encouraging community groups to apply for funding to launch worthwhile projects. In response, the Deputy Secretary for Health and Welfare (DS(HW)) advised that the Administration would adopt a multi-disciplinary approach to enlist the assistance of the Home Affairs Department (HAD), SWD and organizations such as the Hong Kong Council of Social Service (HKCSS) and its member agencies in taking forward the scheme and in assisting local community groups and organizations to formulate their project plans. Regarding the role of HAD, the Assistant Director of Home Affairs elaborated that HAD would be assisting in publicizing and promoting the CIIF to district organizations and the District Councils. Seminars for district organizations would also be held by the Health and Welfare Bureau (HWB) with assistance from the department.

20. Miss CHAN Yuen-han said that by and large, Members of the Hong Kong Federation of Trade Unions supported the present proposal. However, she referred to the discussion at the Panel on Welfare Services and recapped some members' view that consideration should be given to remunerating persons of little means or on public assistance who worked for community projects. Miss CHAN was also concerned about possible overlapping between CIIF-funded projects and projects launched by social service groups. In response, DS(HW) advised that it would be up to the Fund Committee to consider each project application on its merits having regard to the overall objectives of the CIIF, and to decide whether funding should be given.

21. Noting that the Administration had proposed to set a lower limit of \$20,000 per project under the CIIF, Mr James TIEN asked whether there was an upper limit for each project. He further enquired about the arrangements, if any, under the CIIF for projects proposed by other charitable organizations such as the Tung Wah Group of Hospitals and Yan Chai Hospital.

22. In response, DS(HW) advised that a lower limit had been set as it was considered that projects below \$20,000 were relatively small in scale and would unlikely have a significant impact on the community. The Administration had not pre-set any upper funding limit, but the future arrangements would be considered by the Fund Committee in the light of operational experience. Regarding the arrangements for applications submitted by the aforesaid charitable organizations, it would be up to the Fund Committee to consider each project on their own merits. DS(HW)

nevertheless assured members that there would be sufficient experience in the Fund Committee to safeguard against duplication in sources of funding. In this connection, Mr James TIEN appreciated the need for certain flexibility in taking the project forward.

23. Mr LEUNG Yiu-chung was concerned that well-established organizations would stand a better chance of obtaining funding under the CIIF, whereas relatively new or smaller local community groups might be disadvantaged due to its lack of resources and experience in organizing projects. Mr LEUNG thus enquired whether special measures would be adopted, such as requiring a certain proportion of funding be reserved for application by small community groups.

24. In response, DS(HW) confirmed that one of the objectives of the CIIF was to enhance social inclusion and small local community groups would therefore be the main targets of the Fund. The HWB would work closely with HAD, SWD, HKCSS and others to reach out to these groups and help them with the application process. While DS(HW) could not guarantee that all applications from small local community groups would be approved by the Fund Committee, he assured members that the Committee would vet each application on its merits having regard to the overall objectives of the CIIF, and the question of small groups being disadvantaged should not arise.

25. The Committee approved the proposal.

26. The Committee was adjourned at 3:05 pm.

Legislative Council Secretariat

2 April 2002