

立法會
Legislative Council

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Panel on Welfare Services

**Minutes of special meeting
held on Monday, 13 January 2003 at 9:00 am
in Conference Room A of the Legislative Council Building**

- Members Present** : Dr Hon LAW Chi-kwong, JP (Chairman)
Hon CHAN Yuen-han, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Bernard CHAN, JP
Hon CHOY So-yuk
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon Michael MAK Kwok-fung
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
- Members Absent** : Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon YEUNG Sum
Hon Tommy CHEUNG Yu-yan, JP
- Members Attending** : Hon Albert HO Chun-yan
Hon Margaret NG
Hon SIN Chung-kai

- Public Officers Attending** : Dr E K YEOH, JP
Secretary for Health, Welfare and Food
- Mrs Carrie LAM, JP
Director of Social Welfare
- Mr Patrick NIP
Deputy Secretary for Health, Welfare and Food (Elderly Services)
- Mr Robin GILL, JP
Deputy Secretary for Health, Welfare and Food (Welfare)
- Clerk in Attendance** : Ms Doris CHAN
Chief Assistant Secretary (2) 4
- Staff in Attendance** : Miss Mary SO
Senior Assistant Secretary (2) 8
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Date of the regular meeting

Before inviting the Secretary for Health, Welfare and Food (SHWF) to brief Members on the policy objectives and initiatives relating to welfare services under the Chief Executive (CE)'s 2003 Policy Address, the Chairman sought members' views on the date to hold the regular meeting for January which had been cancelled to make way for the briefing. Members agreed to hold the meeting on 21 January 2003 at 4:30 pm. Issues for discussion would remain unchanged.

- I. Briefing by the Secretary for Health, Welfare and Food on the Chief Executive's Policy Address 2003**
2. At the invitation of the Chairman, SHWF briefed Members on the new and ongoing initiatives relating to welfare services set out in the "Caring and Just Society" section of the Policy Agenda.

3. Ms Cyd HO asked the following questions -

- (a) What were the criteria adopted by the Administration in selecting initiatives for inclusion in the Policy Agenda, having regard to the fact that initiatives which had far-reaching effect on Hong Kong, such as the enactment of legislation to implement Article 23 of the Basic Law, were not included in the Policy Agenda;
- (b) What would be the effect of the implementation of the new initiatives on establishing a population policy and strengthening economic integration with the Pearl River Delta (PRD) on welfare policies; and
- (c) How the Government's target to reduce spending by 10% in 2006-07 to help eliminate the fiscal deficit would impact on the provision of welfare services.

4. SHWF responded that the initiatives set out in the "Caring and Just Society" section of the Policy Agenda were chosen to reflect the Government's aim to create an environment in which all people, including the socially disadvantaged, were provided with equal opportunities to develop their potential. SHWF pointed out that in the face of the impact brought about by the necessary economic restructuring, focus must be on fostering an environment which encouraged and provided opportunities for upward social mobility. At the same time, to take care of the socially vulnerable, in particular those with limited capability to achieve this upward social mobility, specific help was required. To achieve this, various policies and programmes would be put in place to secure an individual's basic standard of living, to help them improve their position and to provide them with opportunities for economic and social participation.

5. On the effect of the population policy and the economic integration with PRD on welfare policies, SHWF said that he could not give a reply in this regard as the report on the population policy, which covered many policy areas, were being finalised by the Chief Secretary for Administration (CS). Once the report was finalised, it would be submitted to the Executive Council for consideration.

6. As to the impact of the Government's target of reducing spending by 10% in 2006-07, SHWF said that the Administration was presently critically examining ways on how best to achieve the savings without adversely affecting the provision of services, including welfare services, to the community. The priority was to rationalise, re-organise and re-engineer the existing services so as to make the optimum use of limited resources. It was the Administration's intention to brief members once a decision was made on how the provision of welfare services

would be affected to help eliminate the fiscal deficit.

7. Ms Cyd HO remarked that if the Administration could not presently say how welfare services would be affected by the Government's aim to achieve a 10% savings on public spending by 2006-07, it should at least indicate the baseline for cutting back the provision of welfare services, say, by establishing a poverty line.

8. SHWF responded that the baseline on the provision of welfare services was to provide a safety net for the socially vulnerable to meet their basic needs and to help them involve themselves in social participation and/or move towards self-reliance. The question of how much money should be put in to achieve the latter would depend on the financial situation of the Government and the effectiveness of the programmes concerned.

9. Noting that implementing an effective and sustainable safety net, particularly through the Comprehensive Social Security Assistance (CSSA) Scheme, to assist the financially vulnerable was listed as a new initiative in the Policy Agenda, Mr Fred LI asked whether this meant that the Administration planned to reduce the CSSA rates by 11.1% commencing from the next financial year. Mr LI urged the Administration to consult Members before announcing its decision to reduce the CSSA rates through the Financial Secretary (FS)'s 2003-04 Budget Speech in March 2003. In view of the fact that over 50% of CSSA recipients were elders, Mr LI hoped that any decision to reduce the CSSA rates would exclude those for the elderly.

10. SHWF responded that no decision had yet been made on whether the CSSA rates should be adjusted downward, and if so, by how much. The Administration would consult Members on the way forward. SHWF pointed out that in so doing, regard would be made to ensure that the originally intended purchasing power of the CSSA rates would be maintained. SHWF further said that as resources were finite, it was incumbent upon the Administration to ensure that the safety net was effective and sustainable in the long run and that limited public resources were used in the most optimal manner to meet the community's needs.

11. Mr LEE Cheuk-yan said that the Administration should not, in its attempt to help eliminate the fiscal deficit, change its welfare policies, say, by requiring single parents on CSSA whose youngest child was 12 years of age and above to find jobs. This was against the spirit of a caring and just society advocated by the Administration. Mr LEE further said that given the high unemployment rate, it was questionable whether focussing on helping the socially vulnerable to become self-reliant was effective. Mr LEE pointed out that he was not against the Support for Self-reliance (SFS) Scheme, but wished to draw the Administration's attention to the limitation of the Scheme.

12. SHWF responded that regardless of whether the unemployment rate was high or not, the Government had the responsibility to help able-bodied CSSA recipients to overcome their barriers to work and move towards self-reliance. This was not only in the interests of the recipients themselves, but also that of the community. SHWF further said that many studies had shown that the longer a person was out of work, the harder it was for him/her to re-enter the labour market. This was particularly so if the person concerned had no or little skills. Moreover, the longer a person severed himself/herself from social participation, the harder it was for him/her to integrate with the community and this in turn would have an adverse psychological effect on their children. SHWF further said that the latter point was particularly important, as an effective functioning family was integral to the making of a harmonious society.

13. Director of Social Welfare (DSW) supplemented that no decision had yet been made on requiring CSSA single parents whose youngest child was 12 years of age and above to find jobs. To address the phenomenon of social exclusion amongst single families, the "Ending Exclusion" Project, intended for CSSA single parents whose youngest child was aged under 15, was launched by the Administration in March 2002. To date, over 1 000 CSSA single parents participated in the Project had indicated they were ready to work and 16% of them had found employment. The Administration planned to submit an annual report on the Project to the Panel later in the year. The opportunity might be taken then to seek members' view as to whether the CSSA policy should be changed to require CSSA single parents whose youngest child was 12, instead of 15, years of age and above to find jobs. DSW assured members that their views would be sought before any changes would be made to the CSSA policy. On the SFS Scheme, DSW disagreed that the Administration should give up helping the unemployed able-bodied CSSA recipients to find jobs simply because there were not enough suitable job vacancies for the recipients. As revealed in the progress report on the SFS Scheme submitted to the Panel in December 2002, the various employment assistance measures under the Scheme had been effective in helping the unemployed able-bodied CSSA recipients to find jobs. This was evidenced by the fact that the success rates of the various employment assistance measures under the Scheme were ranged from between 16% and 33%. DSW recalled that some members even suggested at that meeting that the disregarded earnings should be further increased to motivate more unemployed able-bodied CSSA recipients to move towards self-reliance.

14. Mr WONG Sing-chi said that the reason why the Administration considered it appropriate to adjust the CSSA rates downward was because it viewed money spent on welfare programmes as costs rather than as an investment on developing social capital. This was regrettable, as this would make the CSSA

recipients feel that they were a burden to the society instead of making them feel safe in times of difficulty. In the light of this, Mr WONG hoped that the Administration would continue to treat an individual as an asset to the community, even though he/she was on public assistance, despite the need to solve the fiscal deficit problem by 2006-07. Noting the Government's goal of reducing public spending by 10% in 2006-07, Mr WONG asked about the types of welfare services which would be curtailed or cut and how this would impact on the non-governmental organisations (NGOs) providing welfare services.

15. Mr Michael MAK expressed regret that details of the policy objectives and initiatives were not provided to Members to supplement the Policy Address as in the past. Not only would such an arrangement render it not possible for Members to make a meaningful response to this year's Policy Address, it would also make it very difficult for Members to properly monitor the work of the Administration in the next 18 months. Moreover, it was against the principle of the accountability system. Mr MAK then asked about the measures which would be taken by the Administration to prevent unemployed youth from going astray. Referring to paragraph 49 of the Policy Address which mentioned that civil servants were prepared to accept a pay cut if circumstances so required to help eliminate the fiscal deficit, Mr MAK requested the Administration to provide evidence to substantiate such a claim.

16. Miss Margaret NG asked how the population policy would impact on the provision of welfare services.

17. SHWE responded that the fact that this year's Policy Address was focussed on revitalising the economy should not be taken to mean that the Government would discontinue to invest in the human development of each person and providing the resources necessary for people to ultimately help themselves. SHWE further said that the reason why the Policy Agenda only set out the major works of each policy bureau was to complement the macro approach of the Policy Address. Moreover, it was not possible to list all policy objectives and initiatives in one single booklet. Having regard to Members' concern about this year's arrangement for the debate on Policy Address, a review on the arrangement would be conducted.

18. As regards measures to prevent unemployed youth from going astray, SHWE said that the Social Welfare Department (SWD), the Department of Health (DH) and the Education Department had been and would continue to collaborate in providing a wide range of multi-disciplinary services to help youth to face new challenges and difficulties in their lives. The Commission on Youth had recently completed a report in this regard, the findings and recommendations of which were being considered by the Administration. As regards the evidence for saying

that civil servants were prepared to accept a pay cut if circumstances so required, SHWF said that no staff survey on the matter had been conducted by either SWD or DH. SHWF surmised that such a claim might be based on the feedback from staff gathered by the central government. As to the impact of the population policy on the provision of welfare services, SHWF reiterated that no information could be provided at this stage as the report on the policy was being finalised by CS.

19. DSW said that it was inevitable that funding to NGOs would be reduced in order to achieve the Government's goal of reducing government spending by \$20 billion by 2006-07, having regard to the fact that over 70% of the \$10 billion operating expenditure of SWD was spent on subventions to NGOs. Apart from the fact that the operating expenditure of NGOs would be reduced by 1.8% in 2003-04, SWD was awaiting FS's decision on how much savings SWD would need to achieve each year from 2004-05 to 2006-07. DSW pointed out that the reduction in the operating expenditure of NGOs would in fact be less than 1.8% in 2003-04, as items, such as rent and rates and employer's provident fund contribution for "snapshot staff" on actual basis, would be borne/reimbursed by SWD. DSW further said that SWD had recently held a sharing session with 150 NGOs on efficiency savings for 2003-04 to 2006-07. Responses from the NGOs attending the session were generally one of understanding. In the light of this and having regard to the success in achieving a 5% saving from 2000-01 to 2002-03 under the Enhanced Productivity Programme, DSW said that she was confident that the same give and take attitude would continue to be adopted by NGOs in facing the new challenges ahead.

20. In order to enable Members to have a meaningful response to this year's Policy Address, the Chairman urged SHWF to provide Members with a paper detailing the policy objectives and initiatives on welfare services before the three-day debate on the Policy Address scheduled for 15 to 17 January 2003.

(Post-meeting note : A paper detailing the policy objectives and initiatives on welfare services was provided by the Administration on 15 January 2003.)

21. Noting the absence of any welfare initiative targetting at the elderly and children, Mr Henry WU urged the Administration not to lose sight of the need for rendering assistance to these two groups of people.

22. Ms LI Fung-ying referred to paragraph 48 of the Policy Address which mentioned that the Administration, in an attempt to optimise the use of public resources, would re-prioritise the provision of public services, amongst others. In the light of this, Ms LI expressed concern that certain services would be cancelled

as a result of re-prioritisation. On the initiative of creating an enabling environment to develop women's full potential and to build up their capability to face life's challenges and participate fully in all aspects of community, Ms LI expressed doubt as to whether this was achievable having regard to the great difficulty encountered by middle-aged women in trying to find jobs. Ms LI also hoped that there would be more representation from the grassroots on the Women's Commission in order to have a more balanced view in the formulation of women's strategies.

23. As implementing an effective and sustainable safety net, particularly through the CSSA Scheme, to assist the financially vulnerable was listed as a new initiative in the Policy Agenda, Miss CHAN Yuen-han asked whether this meant that the Administration planned to give money to help the unemployed able-bodied CSSA recipients to find jobs. Miss CHAN further said that it was difficult to see that the Administration was sincere in fostering a caring and just society. The impending increase in public medical fees and reduction in the CSSA rates were cases in point.

24. Mr Frederick FUNG expressed dissatisfaction that SHWF had failed to provide a paper detailing the policy objectives and initiatives on welfare services for the meeting. SHWF explained that due to the short notice, the Administration was unable to accede to Members' request for a paper detailing the policy objectives and initiatives on welfare services for the meeting. SHWF reiterated that it was the Administration's intention to provide members with the details of the initiatives later.

25. Responding to Ms LI Fung-ying's concern, SHWF said that re-prioritisation of services would not necessarily result in cancellation of services. For instance, to achieve savings, attempt would first be made to rationalise the existing services. SHWF reiterated that it was too early to say whether, and if so, which welfare services would be affected, as no decision had yet been made on the amount of savings which each policy bureau and government department must achieve from 2004-05 to 2006-07. As regards the initiative to develop women's full potential, SHWF said that the Women's Commission was working to facilitate government officials to put gender perspectives into mainstream policy making, the ultimate aim of which was to achieve women's advancement and gender equality, and identifying ways on empowerment of women. SHWF further said that the Women's Commission maintained close liaison with NGOs and women's groups, whose members comprised people from a wide cross-section of the community, to exchange views on women-related issues.

26. SHWF disagreed that increase in public medical fees and adjustment of CSSA rates were at variance with the fostering of a caring and just society. This

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was because people on public assistance were and would continue to be exempt from paying public medical fees, and adjustment of CSSA rates, if implemented, would not adversely affect the livelihood of the recipients for the reason that the originally intended purchasing power would be maintained.

27. There being no other business, the meeting ended at 10:25 am.

Council Business Division 2
Legislative Council Secretariat
6 February 2003