

立法會
Legislative Council

LC Paper No. CB(2)2087/03-04
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 8 March 2004 at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon CHAN Yuen-han, JP (Chairman)
Dr Hon LAW Chi-kwong, JP (Deputy Chairman)
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon YEUNG Sum
Hon CHOY So-yuk
Hon LI Fung-ying, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee

Members absent : Dr Hon David CHU Yu-lin, JP
Hon Henry WU King-cheong, BBS, JP

Public Officers attending : All items
Mr Paul TANG, JP
Director of Social Welfare

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Miss Susie HO, JP
Deputy Secretary for Health, Welfare and Food (Welfare)

Mrs Agnes ALLCOCK, JP
Deputy Director of Social Welfare (Administration)

Item III

Miss Ann HON
Assistant Director of Social Welfare
(Subventions and Performance Monitoring)

Mr FU Tsun-hung
Chief Social Work Officer (Subventions Liaison)

Item IV

Mrs Rachel CARTLAND, JP
Assistant Director of Social Welfare
(Social Security)

Miss YEUNG Kok-wah
Chief Social Security Officer (Social Security) 4

**Deputations/
Individuals
by invitation**

: Deputations
All items

Society for Community Organization

Ms SZE Lai-shan
Community Organizer

Ms LEUNG Mei-kuen
Community Organizer

Hong Kong Elderly Rights League

Ms WAN Ching-han
Elderly representative

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The Hong Kong Council of Social Service

Ms Christine FANG
Chief Executive

Item III

The Hong Kong Council of Social Service

Mrs Clara LO
Member of Concern Group on Budget Cut

Ms Betty WOO
Member of Concern Group on Budget Cut

Concern Group on the Development of Single Parent
Centres

Ms WONG Hoi-ling
Member

Ms FAN Mei-yuk
Member

Mr MAN Ming-wah
Member

Hong Kong Social Workers' Association

Mr CHUA Hoi-wai

Item IV

The Hong Kong Council of Social Service

Mr CHUA Hoi-wai
Business Director, Policy Research & Advocacy

Ms Mariana CHAN
Chief Officer, Policy Research & Advocacy

Hong Kong Confederation of Trade Unions

Mr WONG Yui-roy
Social Affairs Committee Member

Association of the Rights of the Elderly

Mr Kenneth CHAN
Vice-chairperson

Ms Rita NAM
Secretary

Hong Kong Oxfam

Mr CHONG Chan-yau

Mr WOO Man-lung

Mr MAK Kim-ho

Social Policy Committee of the Hong Kong Federation of Trade Unions

Mr WONG Kwok-hing
Vice Chairman

Mr CHAN Yau-hoi
Member

Alliance Concerning CSSA

Ms CHENG Shuke-ching
Representative

Mr CHU Kong-wai
Representative

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Individuals

All items

Dr WONG Hung
Assistant Professor, Department of Social Work
The Chinese University of Hong Kong

Dr Fernando CHEUNG
The Hong Kong Polytechnic University

Clerk in attendance : Miss Mary SO
Chief Council Secretary (2) 4

Staff in attendance : Miss Millie WONG
Senior Council Secretary (2) 4

I. Confirmation of minutes
(LC Paper No. CB(2)1608/03-04)

The minutes of the meeting held on 9 February 2004 were confirmed.

II. Items for discussion at the next meeting
(LC Paper Nos. CB(2)1609/03-04(01) and (02))

2. Members agreed to discuss the issue of the progress report on the healthy ageing campaign at the next regular meeting scheduled for 13 April 2004.

3. As for the second item for discussion in April 2004, the Chairman suggested to discuss measures to address poverty in women. Ms Cyd HO expressed support and further said that the scope of the discussion should be expanded to cover measures to address gender inequalities. The Chairman undertook to discuss with the Administration on the exact scope of the second item for discussion at the next meeting after the meeting.

4. Dr LAW Chi-kwong proposed to discuss the issue of the progress of the conversion of the homes for the aged into care and attention homes within the current legislative session. In response, Director of Social Welfare (DSW) said that

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the Administration would strive to prepare a report on the matter in June or July 2004.

III. Efficiency savings

(LC Paper Nos. CB(2)1609/03-04(03) to (06) and CB(2)1641/03-04(01))

5. DSW briefed members on the Administration's paper (LC Paper No. CB(2)1609/03-04(03)) which provided additional information on efficiency savings, further to the discussion at the Panel on 9 February 2004 and the submission by the Hong Kong Council of Social Service (HKCSS), Hong Kong Social Workers Association (HKSWA) and Hong Kong Social Workers' General Union.

6. The Chairman invited deputations/individuals to give their views on the implementation of efficiency savings in the welfare sector in the period from 2004-05 to 2008-09.

Views of deputations/individuals

Society for Community Organization (SOCO) and Hong Kong Elderly Rights League
(LC Paper No. CB(2)1609/03-04(05))

7. Ms SZE Lai-shan of SOCO urged that in requiring non-governmental organisations (NGOs) to achieve the targets of efficiency savings, due regard should be given to ensuring that service needs could be met and staff could cope with the increased workload brought about by aggravating poverty and less experienced staff.

8. Ms WAN Ching-nan of the Hong Kong Elderly Rights League told the meeting of the plight of the elderly not on Comprehensive Social Security Assistance (CSSA) and had to rely on Old Age Assistance (OAA) for subsistence. Ms LEUNG Mei-kuen of SOCO supplemented that poverty amongst the elderly not on CSSA had become more serious, and urged the Administration to expeditiously increase the level of OAA to enable these elders to have a reasonable standard of living.

HKCSS

(LC Paper No. CB(2)1609/03-04(06))

9. Ms Christine FANG and Ms Betty WOO presented the views of HKCSS as set out in its submission. In particular, Ms FANG urged the Administration not to impose further cut on the welfare sector beyond 2004-05 and to expeditiously come up with a blueprint on the future directions of social welfare policies. Ms WOO also urged the Administration to conduct an analysis on the impact of efficiency

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savings in relation to the welfare sector on the community and to plough back savings achieved on improving people's livelihood.

Concern Group on the Development of Single Parent Centres (the Concern Group)
(LC Paper No. CB(2)1609/03-04(04))

10. Ms WONG Hoi-ling presented the views of the Concern Group as set out in its submission which opposed the Administration's plan to discontinue its funding to Single Parents Centres (SPCs). In view of the distinct needs of the single parents, the Concern Group expressed grave reservation as to whether the Integrated Family Services Centres (IFSCs), with their multi-faceted services, and the Community Investment and Inclusion Fund (CIIF) could replace the functions and roles of SPCs. The Concern Group pointed out that through the SPCs, single parents could overcome their problems arising from single parenthood, restore resilience, build up a social and mutual help network, and improve their capability for self-reliance. In the light of this, the Concern Group urged the Administration to re-introduce SPCs or implement other measures if it was eventually found out, say, in two to three years' time, that IFSCs could not adequately meet the needs of single parents. Mr MAN Ming-wah and Ms FAN Mei-yuk then told the meeting of the merits of SPCs in helping them to overcome their emotional problems arising from single parenthood, which in turn had helped them prevent their children from becoming youth-at-risk.

Dr Fernando CHEUNG

11. Dr Fernando CHEUNG took members through his submission tabled at the meeting (LC Paper No. CB(2)1641/03-04(01)), which called upon the Administration to expeditiously come up with a blueprint on the future directions of social welfare policies.

HKSWA

12. Mr CHUA Hoi-wai said that whilst appreciating the financial constraints faced by the Government, the Government should have regard to the impact of efficiency savings on NGO staff. Due to inadequate resources, the workload of NGO staff had increased tremendously in recent years. Some NGO staff had expressed that they were stretched to the breaking point. Those who could no longer cope with the heavy work pressure had resigned. This phenomenon should not be allowed to exist for the avoidance of succession gap. In the light of this, Mr CHUA urged the Administration to give due regard to the adverse impact of efficiency savings on NGO staff and the long term development of welfare services.

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Dr WONG Hung

13. Dr WONG Hung expressed concern about the impact of efficiency savings on new recruits who were employed on contract terms. Not only were their employment terms less favourable than their counterparts who were permanent staff, they were also more likely to let go by agencies under budgetary constraints.

Discussion

14. Mr WONG Sing-chi noted that the implementation of the Lump Sum Grant (LSG) subvention system, the Enhanced Productivity Programme (EPP) from 2000-01 to 2002-03 and the efficiency savings exercise from 2004-05 to 2008-09 had rendered it impossible for NGOs to plan for new and/or improved services. Mr WONG asked the deputations what measure(s) should be taken by the Administration to address the aforesaid situation.

15. Ms Christine FANG responded that the Administration should cease imposing further cut in funding allocation to NGOs in 2005-06 as the accumulated reduction in subvention allocation had already amounted to some 21.4% from 2000-01 to 2008-09, as outlined in the Annex to HKCSS' submission. For agencies receiving funding from the Community Chest, their situation was further aggravated by the fact that there had already been reduction in the Chest funding by one-third from 2003-04 to 2004-05. In addition to the continuous reduction in subvention since 2000, NGOs had also been undertaking all kinds of service integration and re-engineering as well as competitive bidding. Many agencies had indicated that they could hardly find more alternatives to meet additional cut other than further reducing staff number, salary and service level.

16. Ms FANG further said that the Administration should review the LSG subvention system and the social needs and resources allocation had to be further discussed with NGOs. Ms FANG pointed out that when agencies accepted the LSG subvention system in early 2000, agencies had agreed to the recurrent subvention being capped at benchmark level calculated at mid-point of personal emolument, and committed to follow civil service pay adjustment. However, with all the yearly additional efficiency savings exercises after the inception of the LSG subvention system in 2000 and scarce provisions for new services, the conditions which agencies had agreed to when joining the LSG subvention system had changed. As a result, the planning of agencies along the conditions of LSG and the re-engineering efforts were greatly undermined.

17. Ms FANG also said that the Administration should refrain from notifying NGOs on a short notice to comply with the targets of efficiency savings. For

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instance, NGOs were only informed in mid-December 2003 that they had to achieve a target saving of 2.5% in 2004-05, which had left them with very limited time to make the necessary adjustments.

18. DSW said that the LSG subvention system sought to provide NGOs with flexibility in the deployment of resources to meet evolving priorities and changing community needs. Such an arrangement was in line with the international trend to shift the emphasis of government subvention from input to output control to enhance public accountability and cost-effectiveness in the delivery of welfare services. Since the inception of the new subvention mode in 2000, 150 NGOs had joined the LSG. It was envisaged that more NGOs would join the LSG subvention system this year. Hitherto, feedback from NGOs on LSG had been generally positive. In view of the increased demands of the LSG subvention on the administrative and managerial requirements of NGO managers, SWD would continue to organise training workshops focusing on the skills required to operate services more effectively and efficiently. DSW further said that to address the welfare sector's concern that the LSG might not provide sufficient funds to meet their commitments to existing staff, a Tide-over Grant (TOG) for NGOs was set up by SWD with support from the Lotteries Fund as a tide-over assistance to NGOs. The intention was to allow NGOs to have sufficient time to adjust to the changes. Although the TOG would cease in 2006-07, it should not be regarded as a reduction of subvention. DSW hoped that NGOs would work closely with their staff to arrive at the most appropriate solution upon the cessation of TOG. Nevertheless, with due recognition of the welfare sector's concern, SWD would review the impact of the cessation of TOG and see what assistance could be provided to NGOs in need.

19. On the long term development of social welfare services, DSW said that two strategies would be adopted. Firstly, the Administration would focus on the "social investment" concept as opposed to the "welfare dependence" concept. The objective was to strengthen the capacities and capabilities of individuals, families and communities; foster self-help, mutual help, networking and support; and encourage giving in terms of donations and volunteerism. Such paradigm shifts would encourage self-reliance and self-betterment and facilitate economic and social inclusion and integration at the individual level; and build up human capital and social capital and strengthen intergenerational solidarity and cohesion at the societal level. Secondly, the Administration would engage the third sector in developing new strategic directions in relation to shifting from a purely "service provision" approach to more emphasis on "social enterprise" and "capacity building". Moreover, there would be greater efforts in developing the tripartite partnership between Government, the business community and the third sector in building up social capital. The latter was important for the sustainability of Hong Kong's welfare system which was financed by a low tax regime.

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20. Mr WONG Sing-chi was of the view that the Administration should come up with a blueprint for the social welfare policies, as had been done in the past in the form of a five-year plan or ten-year White Paper. Mr WONG urged the Administration to embark on discussions with the welfare sector in mapping out such a blueprint. The Chairman concurred, and further said that the absence of a blueprint for the social welfare policies was a testament of a lack of directions on the part of the Government in that regard.

21. Deputy Secretary for Health, Welfare and Food (DSHWF) responded that there was no question of the Government lacking strategic directions in the development of social welfare policies, for the reasons already given by DSW in paragraph 19 above and as responded by the Secretary for Health, Welfare and Food during the motion debate on "Drawing up the blueprint for Hong Kong's social welfare policies for the next decade" at the Council meeting on 25 February 2004. The reason why the Administration abandoned the conventional planning mechanism, which sought to match service provision with population level or other rigid parameters, was because such a mechanism would not serve its purposes having regard to the rapidly changing circumstances. DSHWF assured members that despite the efficiency savings, it did not mean that the Administration would not continue to invest in social welfare and in the services which were required. DSHWF further said that the Administration well understood that it could not develop its strategic directions in a vacuum. To this end, the Administration had already initiated a dialogue with the welfare sector on the future directions of social welfare policies. A conference would be held in the coming April to engage the welfare sector in the discussion on how Hong Kong should move towards a social investment approach in the provision of welfare services. This would be complemented by further discussions, both with the third sector, as envisioned in the 2004 policy agenda, and all relevant stakeholders.

22. Mr LEE Cheuk-yan expressed disappointment that the Health, Welfare and Food Bureau (HWFB) had not taken up with the Financial Secretary (FS), as had been done by the Education and Manpower Bureau, in reducing the percentage of cut in funding to the welfare sector. In his view, spending on social welfare was a social investment as in the case of education. Mr LEE then asked whether HWFB would consider taking up with FS on adjusting the saving targets for the welfare sector downwards from 2005-06 to 2008-09.

23. DSW responded that the total deduction of the operating expenditure of HWFB, expected to be below 11%, was smaller than some other policy bureaux. As mentioned in the previous meeting of the Panel, HWFB had already aimed for a lower deduction of efficiency savings for the welfare sector for 2004-05. Moreover, there was plan to increase allocation for services to the elderly in 2004-05. DSW further said that the savings targets for 2005-06 and beyond were only indicative at

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this stage, and adjustments might be made in the light of the economic situation then. In recognition of the welfare sector's concern over efficiency savings in the longer term, SWD would be discussing with the sector on the situation in 2005-06 and beyond in one to two months' time.

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24. Mr Albert CHAN criticised the Government for biasing towards the interest of the business sector, as evidenced in the recent disposal of the Hunghom Peninsula Private Sector Participation Scheme project flats, whilst disregarding the interests of the needy by ruthlessly reducing funding subvention to the welfare sector. Mr CHAN further said that the cost-saving exercises over the past several years had caused many NGO operators to slash staff salary and to recruit staff of a lower rank to take up the duties previously performed by staff of a higher rank. To enable members to have a better understanding of the unreasonable treatment of NGO staff, Mr CHAN requested the Administration to provide information on the changes in the staff and salary structures of NGOs on LSG since their switching to LSG until to date. Mr CHAN also requested the Administration to provide the savings targets of both SWD and NGOs.

25. DSW responded that SWD would not micro-manage the operations of NGOs on LSG, including their staffing matters, as to do so would be against the purpose of introducing LSG by providing NGO managers with the flexibility to manage their own affairs. DSW however pointed out that the service output and outcome of NGOs on LSG were monitored through the Service Performance Monitoring System (SPMS). Under the SPMS, service performance of NGO on LSG was assessed on the basis of the Funding and Service Agreement drawn up between SWD and the NGO and a generic set of Service Quality Standards. It was therefore incumbent upon NGOs to ensure that they had the backing of their staff in delivering services up to the required standard. Moreover, NGOs were required to adhere to labour legislation and honour contractual obligations.

26. DSW further said that there was no question of SWD reducing the percentage of cut on its own expenditure at the expense of the welfare sector. The target efficiency savings for SWD and the NGOs were 3% and 2.5% respectively in 2004-05. On the information requested by Mr Albert CHAN concerning the changes in the staff and salary structures of NGOs on LSG since their switching to LSG until to date, DSW said that SWD did not have such information as staff management was the domain of NGOs. The Chairman said that there was no reason why SWD could not come up with the requested information, as these NGOs were all subvented by SWD.

27. Mr LEUNG Yiu-chung said that the Administration should not only measure the impact of the efficiency savings on service merely on compliance with SPMS, and should take into account the needs for more services due to deteriorating social

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environment, such as high unemployment and rise in domestic and school violence.

28. DSW responded that the basic needs of the needy were safeguarded by the social security system which was not subject to target efficiency savings. DSW further said that SWD was fully apprised of the welfare needs of the community through regular communications with the welfare sector and service recipients. For instance, SWD had decided to allocate more resources for the provision of long term care for the elderly. DSW however pointed out that by merely injecting more money into welfare services might not be the best way forward. A shift in approach could bring about improvements in the services provided. Moreover, as resources were limited, it was incumbent upon the Administration to re-allocate resources to deploy them to areas most in need.

29. Dr YEUNG Sum enquired whether HWFB would consider taking up with FS on emulating the proposed 0-0-X funding arrangement for the University Grants Committee-funded institutions for the 2005-06 to 2007-08 triennium for the welfare sector, which was also suggested by HKCSS in its submission. Notably, there would be no further funding cut in the 2005-06 and 2006-07 for the welfare sector, with an undefined cut at no more than 7% if the economy still had not fully recovered. However, if the economy was good nearer the third year, no further funding cut to the welfare sector should continue. In response, DSHWF said that the Administration would consider the 0-0-X funding arrangement and would be happy to explore the feasibility of such with the welfare sector.

30. Ms Christine FANG urged the Administration to meet with the welfare sector to discuss the 0-0-X funding proposal and the development of a blueprint for the social welfare polices within six months' time, so that any progress made could be reported to members prior to the expiry of the current legislative session. Ms FANG further said that NGOs were forced to become unscrupulous employers. This was because many of the conditions to which NGOs had agreed when joining the LSG could not be met if staff costs were not reduced as a result of the need to achieve the 5% EPP target in 2000-01 to 2003 and the 1.8% efficiency saving target in 2003-04. Ms FANG disagreed that the cessation of TOG was not a reduction in subvention, as the funding of personal emoluments under the LSG arrangement was primarily based on the mid-point salaries of the existing pay scales of the recognised establishment of the NGOs concerned as at 1 April 2000. This had put many agencies in a very difficult position, as they might need to let go of their senior experienced staff to meet ends.

Conclusion

31. In summing up, members agreed that the Administration should brief members on the progress made for implementing the 0-0-X funding proposal for the

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welfare sector and the development of a blueprint for the social welfare policies, and to respond to HKCSS's requests for reviewing the LSG subvention system, in particular the aspect relating to funding of personal emoluments in June 2004.

IV. Measures to address poverty

(LC Paper Nos. CB(2)1609/03-04(05), (07) to (12) and (15))

32. The Chairman invited individuals/deputations to give their views on measures to address poverty.

Views of deputations/individuals

SOCO

(LC Paper No. CB(2)1609/03-04(05))

33. Ms SZE Lai-shan and Ms LEUNG Mei-kuen presented the situation of poverty in children and elders not on CSSA and the recommended measures to address such, details of which were set out in the above joint submission from SOCO and the Hong Kong Elderly Rights League.

HKCSS

(LC Paper No. CB(2)1609/03-04(12))

34. Mr CHUA Hoi-wai took members through the above submission from HKCSS which set out the phenomenon and effects of poverty as well as the proposed measures to address poverty. Mr CHUA further urged the Administration to expeditiously set up a central body to work out and co-ordinate measures to address poverty.

Hong Kong Confederation of Trade Unions (HKCTU)

(LC Paper No. CB(2)1609/03-04(08))

35. Mr WONG Yui-roy presented the views of HKCTU as set out in the above submission. Specifically, HKCTU urged the Administration to expeditiously set up an old age pension scheme, establish minimum wage, strengthen child care service to enable people with young children to work, and provide subsidies to the low-income people.

Association of the Rights of the Elderly (the Association)

36. Mr Kenneth CHAN presented the views of the Association as set out in its submission (LC Paper No. CB(2)1609/03-04(09)) tabled at the meeting. Notably,

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the Association urged the Administration to expeditiously review and formulate a retirement protection policy to address poverty in the elderly, relax the requirement for elderly living with their families to apply for CSSA, review the impact of the reduction in CSSA payments on the elderly, provide community services to the elderly based on the experience gained from the "Operation CARE" project, reduce medical fees and charges for the elderly by 50%, and formulate a policy on providing education for the elderly. Ms Rita NAM hoped that more emphasis would be placed on helping elderly women in poverty, who were deprived of the opportunities to receive education when they were young and to attain any earning skills when they grew up because they had to stay home to take care of their family members.

Hong Kong Oxfam (Oxfam)
(LC Paper No. CB(2)1609/03-04(10))

37. Mr CHONG Chan-yau presented the views of Oxfam as set out in its submission (LC Paper No. CB(2)1609/03-04(10)) tabled at the meeting. In particular, Oxfam requested the Administration to set up a central committee to address poverty, establish minimum wage for jobs contracted out to the private sector, establish a comprehensive social security system, including setting up different relief funds for the unemployed, low-income group and children, and a retirement protection scheme for the whole population, creating more job opportunities for the low-skilled workers, and raising the income tax of the high wage-earners and the profit tax. Mr CHONG further said that the Chief Executive (CE) had previously expressed support for the setting up of a central committee to address poverty, but he was disappointed to learn that CE had later mentioned that some government officials had objected to the proposal.

Dr WONG Hung

38. Dr WONG Hung urged the adoption of the World Bank's three-pillar approach in alleviating poverty as follows -

- (a) First pillar of a safety net for safeguarding the livelihood of the needy and the low-income group

This included reviewing the existing social security system to ensure that the assistance could meet the basic and special needs of the needy and establishing minimum wage. Prior to the establishment of minimum wage in Hong Kong, the Administration should take the lead in implementing such for its jobs contracted out to the private sector;

- (b) Second pillar of a compulsory public plan for poverty alleviation and prevention

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The Administration should re-consider the implementation of a pay-as-you-go social insurance scheme to safeguard the livelihood of the elderly of this generation. Under such a scheme, the contributions collected from this generation of workers were paid out immediately to this generation of retirees; and

- (c) Third pillar of strengthening social programmes for the empowerment of the poor and the elimination of discrimination against the poor

The Administration should step up actions to elevate the capacities and the capabilities of the poor and educating the public against discrimination of the poor.

Dr Fernando CHEUNG

39. Dr Fernando CHEUNG urged the Administration to expeditiously set up a central committee to meet with all interested groups to consider all options, including those put forward by the deputations at the meeting, to alleviate poverty.

Social Policy Committee of HKFTU
(LC Paper No. CB(2)1609/03-04(11))

40. Mr WONG Kwok-hing and Mr CHAN Yau-hoi presented the views of the Social Policy Committee of HKFTU as set out in the above submission. In particular, the Social Policy Committee of HKFTU urged the Administration to ensure that the contractors strictly adhered to the minimum wages stipulated in the contracting out agreement. The Social Policy Committee of HKFTU also urged the Administration to provide transport subsidy to the low-income workers.

Alliance Concerning CSSA (the Alliance)
(LC Paper No. CB(2)1609/03-04(15))

41. Mr CHU Kong-wai and Ms CHENG Shuke-ching presented the views of the Alliance as set out in the above submission. Specifically, the Alliance recommended the Administration to -

- (a) Cease further reduction in CSSA and conduct a comprehensive review of the social protection system;
- (b) Establish minimum wage and a poverty line;
- (c) Formulate a retirement protection scheme with contributions from

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employers, employees and the Government for paid out to this generation of retirees; and

- (d) Develop a fair and just mechanism to solve the fiscal deficit, such as revising the taxation system, instead of cutting back resources on helping the poor to alleviate poverty.

Discussion

42. Miss CHOY So-yuk expressed support for the setting up of an inter-departmental committee to address poverty. In view of the far-reaching effects of poverty on the sustainability of Hong Kong's financial and social systems, she would call for a study on such to be conducted by the Council for Sustainable Development.

43. DSHWF responded that the Administration did not see the need for setting up an inter-departmental committee to address poverty, as there were already in place within the Administration various forums to deal with such. DSHWF further said that the issues of growing poverty and lower wages were largely due to the weak economy and economic restructuring. As a result of a series of measures to revive the economy, the economy was beginning to show some sign of recovery. Efforts would continue to be made by the Administration to help the unemployed and the low-skilled workers to elevate themselves through training, re-training, education and participation in capacity-building projects such as those funded by CIIF, amongst others.

44. Miss CHOY maintained her view that there was a need for setting up an inter-departmental committee to address poverty. Miss CHOY pointed out that if the existing arrangements were adequate, there would be no need for the Administration to impose efficiency savings on NGOs and cutting back expenditure on the social security system. Mr WONG Sing-chi and Frederick FUNG echoed Miss CHOY's views. Mr FUNG further said that officials from the Economic Development and Labour Bureau should also be represented on the inter-departmental committee to address poverty. Mr WOO Man-lung of Oxfam also said that the inter-departmental committee to address poverty should also comprise representatives from different sectors of the community.

45. Referring to Mr CHONG Chan-yau's statement in paragraph 37 that some government officials had objected to the proposal of setting up a central committee to address poverty, the Chairman asked whether they were from HWFB. DSHWF responded that she did not have the answer to the question.

46. Mr Frederick FUNG said that according to figures provided to the Economic and Employment Council, unemployment amongst people aged 50 or above and/or

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only had Secondary Three or below qualification still remained high, despite the fact that unemployment rate had been declining in the past six months. This showed that the Administration's efforts to elevate this hardcore group of people had not been effective. In the light of this, Mr FUNG said that the Administration should consider using tax incentive to lure investors to set up labour-intensive factories in Hong Kong to create job opportunities for the middle-aged workers with low educational attainment and skills.

47. Miss CHOY So-yuk was of the view that corporations also have a social responsibility to address the problem of poverty, and requested the Administration to engage them in such endeavour. DSHWF responded that this would be done as mentioned by DSW in paragraph 19 above.

48. On the question raised by Mr CHU Kong-wai as to whether the Administration planned to reduce CSSA standard payment rates, DSW said that apart from the approved deflationary adjustments to CSSA standard rates agreed last year, the Government did not have any plan to revise the CSSA rates this year. DSW further said that the reduction in CSSA standard payment rates was not really a reduction, but an adjustment to make the payments in line with the actual price movements in the previous year. DSW also said that a study would be conducted by the Administration this year to examine how effective the existing programmes were in helping the unemployed to find employment. A review on the entire issue of single parents on CSSA would also be conducted to understand the present situation better and to make recommendations for any suitable improvement measures to help single parents achieve self-reliance.

49. On the suggestion raised by some deputations about the establishment of minimum wage, DSHWF said that the Administration considered it better for the market to decide the wages. As to Dr WONG Hung's enquiry as to whether the Administration would give up helping middle-aged unemployed persons with low educational attainment and skills to find employment and leave them to rely on CSSA, DSHWF assured members that the Government would not do so as evidenced by the efforts made in training them and engaging them in self-help programmes, such as CIIF.

50. On closing, the Chairman proposed to move the following motion -

“本委員會強烈要求政府設立減貧委員會，對減貧問題作全面研究，從而制定長遠的減貧目標、策略及措施。”

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Members unanimously expressed support to the motion. The Chairman requested the Administration to give a response to the motion so passed by the Panel.

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V. Final report on the three-year action plan to help street sleepers and the way forward

(LC Paper Nos. CB(2)1609/03-04(13) and (14))

51. Due to time constraint, the Chairman suggested and members agreed to defer the discussion of this item to the next meeting.

52. There being no other business, the meeting ended at 1:53 pm.

Council Business Division 2
Legislative Council Secretariat
20 April 2004