

立法會
Legislative Council

LC Paper No. CB(2)2758/07-08
(These minutes have been
cleared with the Chairman)

Ref : CB2/HS/1/04

Subcommittee to Study the Subject of Combating Poverty

Minutes of meeting
held on Thursday, 12 June 2008, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Hon James TIEN Pei-chun, GBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHAN Yuen-han, SBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung

Members absent : Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
Hon Mrs Anson CHAN, GBM, JP

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Mr Chris LAI
Senior Council Secretary (2) 7

Action

I. Draft report on "Development of social enterprise"
[LC Paper No. CB(2)2150/07-08(01)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. Members considered the amendments to the draft report on "Development of social enterprise (SE)" which had incorporated members' views raised at the last meeting. Regarding the strategies and measures to promote SE development in Chapter 4, Mrs Selina CHOW said that as the first step, the development of SE in Hong Kong should target at the disadvantaged groups who were unable to find employment. Members agreed that a new paragraph would be added to Chapter 4 to this effect. As the Subcommittee had held an in-depth discussion on the subject matter and had reached consensus over a number of issues, members agreed that references to "some members" in the draft report should be revised to "members or the Subcommittee" wherever appropriate, and references to "some members" would be used only if members had expressed different views on a particular issue or recommendation.

3. The views of members on the recommendations in Chapter 5 of the draft report were summarized below –

- (a) the phrase "such as Sham Shui Po and Tin Shui Wai, etc" would be deleted from paragraph 5.1(d);
- (b) the Administration should specify the target groups in providing the definition of SE (paragraph 5.1(e)); and
- (c) paragraph 5.1(j) should be combined with 5.1(l) and revised to read as "facilitate cross-sectoral collaboration and encourage the private sector to set up start-up funds for social enterprise projects".

4. Referring to the business facilitation and support measures for SE development, Miss CHAN Yuen-han considered that the major obstacles faced by local SEs were high rentals and difficulties in identifying suitable venues for operating business. The development of the SE sector would be further fostered if the Administration would lease vacant Government premises at popular locations to SEs on short-term leases and at concessionary rentals.

5. Mrs Selina CHOW expressed reservations about Miss CHAN Yuen-han's suggestion. She considered that providing too much Government support to SEs was unfair to private enterprises, especially small and medium enterprises, as both types of enterprises were expected to operate commercially and compete on a level playing field. Mr Abraham SHEK expressed similar views.

6. Mr James TIEN expressed concern about the impact of minimum wage

Action

legislation on the long-term financial sustainability of SEs. He cautioned that the minimum wage requirement would incur additional operation cost to local SEs, thus adversely affected their competitiveness. Mr TIEN said that the Subcommittee might wish to give some thoughts on this when drawing up recommendations to foster the development of SE, for example, whether exemption should be granted to SEs from complying with the minimum wage legislation.

7. The Chairman and Ms LI Fung-ying said that SEs would operate according to commercial principles. Given that the employment of workers by and operation of SEs were essentially the same as other private enterprises in the respective trades, employees of SEs would be paid in accordance with the levels stipulated under the minimum wage legislation. Ms LI further said that as statutory minimum wage would be first introduced to cleaning workers and security guards, the impact of minimum wage legislation on local SEs would be minimal. Mr LEE Cheuk-yan said that the impact of the legislative proposal on the vulnerable groups, such as persons with disabilities, and the implementation details would be examined thoroughly in the context of the relevant legislative proposal. The Chairman and Ms LI Fung-ying shared Mr LEE's views.

8. The Chairman considered it inappropriate to open new topics for discussion when the Subcommittee was concluding its work. Members agreed.

9. Members agreed that the draft report would be further revised and circulated to members for consideration, and the Subcommittee would submit the report to the House Committee on 27 June 2008.

10. The Chairman said that since two motion debates on the subject of promoting SE development were held at the Council meetings on 14 June 2006 and 5 December 2007, the Subcommittee would not seek the House Committee's agreement for allocation of a debate slot for moving a motion on its report on "Development of SE" at a Council meeting. Members agreed.

11. The Chairman further said that the Subcommittee would be dissolved upon presentation of its report to the House Committee on 27 June 2008.

II. Any other business

12. There being no other business, the meeting ended at 3:38 pm.

**Proceedings of the meeting of the
Subcommittee to Study the Subject of Combating Poverty
on Thursday, 12 June 2008, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda Item I – Draft report on "Development of social enterprise"</i>			
000000 - 000753	Chairman	Opening remarks	
000754 - 002344	Chairman Ms LI Fung-ying Mrs Selina CHOW Miss CHAN Yuen-han Clerk	Discussion on amendments to Chapters 3 and 4 of the draft report	
002345 - 002602	Chairman Miss CHAN Yuen-han Mrs Selina CHOW	Discussion on paragraph 5.1 (a) to (d) in Chapter 5 of the draft report	
002603 - 003356	Chairman Miss CHAN Yuen-han Mrs Selina CHOW Mr Abraham SHEK	Discussion on paragraph 5.1 (e) to (h) in Chapter 5 of the draft report Miss CHAN Yuen-han's suggestion that vacant government premises should be leased to SEs at concessionary rentals	
003357 - 003540	Chairman Ms LI Fung-ying	Discussion on paragraph 5.1 (i) to (r) in Chapter 5 of the draft report	
003541 - 003600	Chairman	Discussion on paragraph 5.1 (s) to (t) in Chapter 5 of the draft report	
003601 - 004500	Chairman Mrs Selina CHOW Clerk Ms LI Fung-ying	Discussion on the target beneficiaries and scope of businesses of social enterprises (SEs)	
004501 - 010114	Chairman Mr James TIEN Ms LI Fung-ying Mr LEE Cheuk-yan	Mr James TIEN's concern about the impact of minimum wage legislation on the operation and sustainability of SEs	
010115 - 010126	Chairman	Discussion on paragraph 5.1 (u) to (v) in Chapter 5 of the draft report	
<i>Agenda Item II – Any other business</i>			
010127 - 010218	Chairman	Presentation of report to the House Committee on 27 June 2008	