

立法會
Legislative Council

LC Paper No. CB(2)2600/06-07
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 11 June 2007, at 10:45 am
in Conference Room A of the Legislative Council Building

- Members present** : Hon CHAN Yuen-han, JP (Chairman)
Dr Hon Fernando CHEUNG Chiu-hung (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Bernard CHAN, GBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
- Member absent** : Dr Hon YEUNG Sum
- Member attending** : Hon CHEUNG Man-kwong
- Public Officers attending** : Item IV
Mrs Mary MA
Commissioner for Rehabilitation
Health, Welfare and Food Bureau

Mr SIT Tung
Assistant Director of Social Welfare
(Rehabilitation and Medical Social Services)

Mr FONG Kai-leung
Chief Social Work Officer
(Rehabilitation and Medical Social Services) 2
Social Welfare Department

Item V

Mrs Connie NGAN
Acting Assistant Director of Social Welfare (Subventions)

Miss Angela LUK Yee-wah
Assistant Commissioner for Television & Entertainment
Licensing (Entertainment)

Mr Leonard WONG
Chief Assessor (Special Duties)
Inland Revenue Department

Item VI

Mr Sammy LEUNG
Assistant Secretary for Health, Welfare and Food (Family) 2

Mr FUNG Pak-yan
Deputy Director of Social Welfare (Services)

Ms Lily NG
Acting Assistant Director of Social Welfare (Subventions)

Items V and VI

Mr Freely CHENG
Principal Assistant Secretary for Health, Welfare and Food
(Family)

**Deputations
by invitation**

: Item IV

The Association of Parents of the Severely Mentally
Handicapped

Ms CHENG Yee-man
Chairperson

The Hong Kong Joint Council of Parents of the Mentally
Handicapped

Mr William CHANG
Honourable President

Mr LO Kin-ping
Executive Committee Member

The Hong Kong Council of Social Service / Hong Kong
Joint Council for People with Disabilities

Mr Philip YUEN
Rehabilitation Chief Officer / Secretary General

殘疾人士私營院舍關注組

Ms Phyllis WONG King-shui
Representative

1st Step Association

Mr LEUNG Choy-yan
Chairperson

Miss NG Yan-yee
Senior Organizer

Item VI

Social Welfare Organizations Employees Union

Mr LIU Wai-ying
Chairman

Union of HK Rehabilitation Agencies Workshop Instructor

Mr YU Chi-ming
President

Hong Kong Confederation of Trade Unions Committee of
Public Services

Mr TANG Wai-wah
Convenor

Hong Kong Chinese Civil Servants' Association, Social
Work Officers Grade Branch

Mr LEUNG Kin-hung
Chairman

Mr CHEUNG Kam-ki
Vice Chairman (External Affairs)

Hong Kong Social Workers' General Union

Mr CHEUNG Kwok-che
President

Fight for Social Welfare Alliance

Mr YUM Kwok-tung

Chung Shak-hei (Cheung Chau) Home for the Aged, Ltd.
Employees General Union

Mr LEUNG King-chuen
Chairman

Staff Union of the Mental Health Association of Hong Kong

Mr LUI Kwan-chung
Chairman

The Hong Kong Council of Social Service

Mr Joseph WONG Kam-man
Business Director (Corporate Management)

Department of Social Sciences in Caritas Francis Hsu
College (Unified States)

Mr WONG Cheuk-fai
Representative

Community Care and Nursing Home Workers General
Union

Ms CHUNG Wai-ling
Chairperson

Hong Kong Social Workers Association

Mr CHUA Hoi-wai
President

Hong Kong Federation of Social Work Students

Mr LAU Ho-yin
External Secretary

The Boys' & Girls Clubs Association of Hong Kong Staff
Club

Ms TANG Yin-ping

Staff Association of The Hong Kong Federation of Youth
Groups

Mr CHEUNG Chi-wai
Chairman

Stewards Social Service Branch Staff Union

Mr KOO Wing-hon
Vice President (External)

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

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

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Confirmation of minutes

[LC Paper No. CB(2)2045/06-07]

The minutes of the meeting held on 14 May 2007 were confirmed.

II. Information paper issued since the last meeting

[LC Paper No. CB(2)2030/06-07(01)]

2. Members noted that an information paper provided by the Administration on "A Study to Evaluate the New Dawn Project for Single Parents/Child Carers under the Comprehensive Social Security Assistance (CSSA) Scheme" had been issued since the last meeting.

III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)2046/06-07(01) and (02)]

3. Members agreed to discuss the following items proposed by the Administration at the next meeting on 9 July 2007 at 10:45 am –

(a) Rehabilitation Programme Plan Review; and

(b) Services of the new Multi-purpose Crisis Intervention and Support Centre.

4. Dr KWOK Ka-ki suggested that a joint meeting be held with the Panel on Health Services to discuss the implications of the 2006 Starting Salaries Survey (SSS) findings on the subvented organisations in the healthcare and welfare sectors. He further suggested that the Panel should discuss the support services for young drug abusers at a future meeting.

5. Noting that the Administration had provided the Panel with a paper on the findings of the evaluation study on the New Dawn Project for single parents and child carers on CSSA, Dr Fernando CHEUNG said that the Panel should follow up on the findings and recommendations of the study. Mr Frederick FUNG supported the suggestion.

Action

6. The Chairman suggested that the Panel held a special meeting to discuss the findings of the evaluation study on the New Dawn Project and the support services for young drug abusers. As regards Dr KWOK's proposal to hold a joint meeting with the Panel on Health Services, the Chairman suggested to defer a decision on the matter after the discussion of the implications of the 2006 SSS findings on the social welfare sector under agenda item VI below. Members agreed.

(Post-meeting note : The special meeting of the Panel would be held on 3 July 2007 at 10:45 am.)

IV. Report on the progress of voluntary registration scheme and licensing of residential care homes for people with disabilities

[LC Paper Nos. CB(2)2046/06-07(03) to (04), CB(2)2129/06-07(01), CB(2)2136/06-07(01) and CB(2)2143/06-07(01) to (03)]

7. Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) (ADSW(RM)) introduced the Administration's paper which set out the progress of the Voluntary Registration Scheme (VRS) and the licensing scheme for residential care homes for the disabled (RCHDs).

Views of deputations

8. The Chairman welcomed deputations to the meeting. The views of the deputations are summarised below.

*The Association of Parents of the Severely Mentally Handicapped
[LC Paper No. CB(2)2143/06-07(01)]*

9. Ms CHENG Yee-man expressed disappointment at the small number of private RCHDs which had joined VRS. She said that the Administration should introduce measures to better safeguard the quality of services in private RCHDs prior to the introduction of the licensing scheme. For instance, detailed information on RCHDs should be uploaded onto the webpage of the Social Welfare Department (SWD) to facilitate family members of people with disabilities (PWDs) to select a RCHD that met their needs. Moreover, training for RCHD staff should also be enhanced, and the Administration should draw up a long-term plan to address the residential service needs of PWDs.

*The Hong Kong Joint Council of Parents of the Mentally Handicapped
[LC Paper No. CB(2)2129/06-07(01)]*

10. Mr LO Kin-ping considered the progress of VRS and the introduction of the licensing scheme for RCHDs too slow. He said that in parallel with the

Action

implementation of VRS, SWD should take measures to enhance the service quality of RCHDs, such as requiring qualified RCHD staff to dispense drugs for residents, providing more training courses for RCHDs staff, and providing subsidised rehabilitation and physiotherapist services. Mr LO added that it was the Government's responsibility to provide adequate residential places for all PWDs.

The Hong Kong Council of Social Service / Hong Kong Joint Council for People with Disabilities

[LC Paper No. CB(2)2143/06-07(03)]

11. Mr Philip YUEN welcomed the Administration's plan to implement a licensing scheme for RCHDs. Expressing concern about the slow progress of the survey on the situation of RCHDs, Mr YUEN urged the Administration to provide a concrete legislative timetable for the licensing scheme. He said that as an interim measure, social workers should be assigned to those private RCHDs which had not joined VRS. Consideration should also be given to setting up a hotline for complaints against the operation of RCHDs. In the long run, the Administration should formulate a five-year plan to address the residential needs of PWDs.

殘障人士私營院舍關注組

[LC Paper No. CB(2)2136/06-07(01)]

12. Ms Phyllis WONG said that to encourage more private RCHDs to join VRS, the Administration should step up publicity on the scheme. Ms WONG expressed concern that as some private RCHDs which had not joined VRS would cease to operate after the introduction of the licensing scheme, the Administration should make proper arrangements for some 2 000 residents of these private homes. Noting that a working group would be formed to review the Code of Practice for Residential Care Homes for Persons with Disabilities (the Code of Practice), Ms WONG said that the working group should comprise representatives of PWDs and their family members. Provisions on the protection of the privacy of RCHD residents should be added to the Code of Practice, and the Administration should expedite the introduction of the licensing scheme.

1st Step Association

[LC Paper No. CB(2)2143/06-07(02)]

13. Miss NG Yan-yee considered that as prior notice was given to the private homes on regular visits to private RCHDs by SWD staff, these were far from effective to deter the former from maltreating the residents. She said that ad hoc and unscheduled visits should also be conducted to strengthen monitoring of RCHDs. Miss NG echoed the suggestion of 殘障人士私營院舍關注組

Action

that proper arrangements should be made for residents currently living in private RCHDs which would cease to operate after the introduction of the licensing scheme.

14. Mr LEUNG Choy-yan said that as PWDs had difficulties in protecting their personal safety in case of a fire outbreak in RCHDs, the Administration should ensure that all RCHDs were in compliance with the fire and building safety requirements.

Discussion

15. Noting that only five private RCHDs had joined VRS successfully, Dr Fernando CHEUNG considered the progress of VRS unsatisfactory. He enquired about the standards for private RCHDs to meet the requirements of VRS. Dr CHEUNG expressed concern that over 2 000 PWDs were currently living in private RCHDs which could not meet the requirements of VRS, and asked about the characteristics of these residents, such as their age distribution, types of disabilities and services being received in private RCHDs.

16. ADSW(RM) responded that under VRS, private RCHDs had to meet the requirements in general management, fire safety, building safety and health care. Such requirements were generally in line with the standards stipulated in the Code of Practice and the building safety and fire safety regulations. He said that a multi-disciplinary office comprising social workers, nurses, fire officers and building surveyors had been set up to implement VRS and to prepare for the ground work of the licensing scheme. ADSW(RM) added that during the inspection visits by the Registration Office of VRS, the areas of inspection would cover not only the physical environment of RCHDs, but also the use of physical restraints and effective drugs management. ADSW(RM) said that there were about 400 ex-mentally ill and mentally disabled persons receiving SWD subvented community rehabilitation and support services in 37 private RCHDs. Some of the residents were attending special schools or working in sheltered workplaces. He added that the Administration would provide the information requested by Dr Fernando CHEUNG after the meeting.

Admin

17. Responding to Dr Fernando CHEUNG, ADSW(RM) said that consideration would be given to increasing the number of representatives from residents of RCHDs and their family members in the working group to review the Code of Practice.

18. Dr Fernando CHEUNG held the view that the licensing scheme for RCHDs should be introduced without delay. He questioned the need for conducting a detailed survey on the situation of homes for PWDs, as the services provided by all subvented and self-financing homes were monitored by SWD.

Action

19. Commissioner for Rehabilitation (C for R) explained that the purpose of the detailed survey was to find out the extent of improvement works that might need to be carried out in RCHDs for compliance with the building and/or fire safety requirements. The Administration would ensure that the introduction of the licensing scheme would cause minimum disturbance to the disabled residents currently living in RCHDs.

20. ADSW(RM) added that the inspection of services currently provided by RCHDs would help identify areas for improvements in both private and subvented RCHDs. The inspection also intended to assess the re-provisioning need for some RCHDs. He assured members that the Administration would safeguard the welfare of PWDs when taking forward the licensing scheme for RCHDs.

21. Ms LI Fung-ying said that the Administration should draw up a concrete legislative timetable for introducing the licensing schemes. As some private RCHDs might not be able to meet the licensing requirements, Ms LI urged the Administration to make necessary arrangements for those residents who were currently residing in these RCHDs.

22. C for R said that the detailed survey and revision of the Code of Practice would be completed by the end of 2007. The Administration would proceed with the legislative work of the licensing scheme after consulting the Panel and the rehabilitation sector on the licensing standards and legislative proposal in early 2008.

23. Mr LEE Cheuk-yan expressed concern that out of the 37 private RCHDs, 22 did not apply to join VRS for the reason that they were unable to meet the requirements. Having regard to the fact that most RCHDs were unable to meet the fire and building safety requirements, the Administration should expedite the implementation of the licensing scheme without delay to regulate the operation of private RCHDs. It was unacceptable for the Administration to introduce the relevant bill into the Legislative Council (LegCo) as late as in 2008-2009. Mr LEE added that the Administration should set out the licensing requirements clearly and provide assistance for private RCHDs to meet the requirements.

24. C for R assured members that the Administration would expedite the legislative work of the licensing scheme for RCHDs as far as practicable and report the progress to the Panel in early 2008.

25. Mr LEE Cheuk-yan enquired if the legislative work of the licensing scheme could only be completed in the next session, given that the Administration only intended to report its progress in early 2008. To speed up the preparation work for the licensing scheme, the Administration should shorten the time taken for the review of the Code of Practice.

Action

26. C for R explained that the Code of Practice would serve as a blueprint for the future licensing scheme. In order to speed up the legislative process, consultation with stakeholders on the Code of Practice and the legislation work would be conducted in parallel.

27. Dr KWOK Ka-ki expressed disappointment at the slow progress of VRS and the licensing of RCHDs. He said that it was the Government's responsibility to provide adequate RCHD places and to regulate the operation of private RCHDs. To ensure the quality of services in RCHDs, Dr KWOK held the view that the Administration should speed up the introduction of the licensing scheme for RCHDs and provide assistance for private RCHDs to comply with the service standards.

28. C for R responded that the Administration would continue to provide residential care services for PWDs and bid for additional resources to meet the demand for the services. She added that 340 additional residential cum day service places for adults with disabilities would be available in the year.

29. ADSW(RM) supplemented that in parallel with the implementation of VRS, SWD had taken measures to assist all private RCHDs, including those which had not joined VRS, to improve their quality of services. For example, training workshops had been organised for all private RCHDs' staff on health care, use of physical restraints and effective drugs management. ADSW(RM) said that some private RCHDs had carried out improvement works relating to fire and/or building safety after taking on the findings of the inspection visits. If fire and building safety of private RCHDs posed risks to the residents, SWD would refer the cases to the relevant departments for follow up.

30. In closing, the Chairman urged the Administration to expedite introduction of the legislative proposal to LegCo as early as practicable.

V. Charitable fund-raising activities

[LC Paper Nos. CB(2)2046/06-07(05) and (06)]

31. Principal Assistant Secretary for Health, Welfare and Food (Family) (PAS/HWF(F)) briefed members on the existing framework for the monitoring of charitable fund-raising activities, as detailed in the Administration's paper.

32. Mr Albert HO expressed concern about the increasing on-street charitable fund-raising activities. Noting that application for different types of charitable fund-raising activities were subject to the approval of different departments, Mr HO said that the Government should strengthen inter-departmental

Action

co-ordination in the vetting of applications so that there would not be too many fund-raising activities taking place at the same location at the same time.

33. PAS/HWF(F) responded that there was inter-departmental co-ordination for approving applications for fund-raising activities on public streets, and approval from the Director of Lands would be sought. In considering applications for temporary occupation of Government land, the Director of Lands normally would not approve fund-raising activities by more than one organisation at the same location at the same time, and would seek the views of the Commissioner of Police, the Commissioner for Transport and the Director of Highways where necessary.

34. Mr Albert HO considered that to safeguard public interests, measures should be taken to ensure that organisations carrying out charitable fund-raising activities on streets were bona fide charitable organisations. For instance, the enforcement departments/authorities should conduct surprise checks on the spot.

35. PAS/HWF(F) responded that members of the public could check out the list of charitable fund-raising activities issued with Public Subscription Permits (PSPs) uploaded on the homepages of SWD and the Electronic Service Delivery to ascertain whether a certain public charitable fund-raising activity had been properly licensed. The public might also make enquiries through the hotlines of SWD, and report to the Police when they had doubts about the legality of the fund-raising activities.

36. Responding to Mr Albert HO, PAS/HWF(F) explained that under section 4(17)(i) of the Summary Offences Ordinance (Cap. 228), application for PSPs was required for any collection of money in public places for charitable purposes. Bona fide non-profit making organisations would need to apply for a lottery licence from the Television and Entertainment Licensing Authority to conduct sale of lottery tickets for the purpose of funding-raising.

37. Mr CHEUNG Man-kwong said that with more frequent public charitable fund-raising activities, the general public had become more skeptical about these activities. He said that when members of the public were asked to make donations in public areas, it was impossible for them to check the information posted on the webpage as to whether the charitable fund-raising activity had been properly licensed. Mr CHEUNG said that to facilitate easy identification of bona fide fund-raising activities, consideration should be given to issuing some forms of identifications, e.g. badges, to organisations which had obtained PSPs or lottery licences.

38. PAS/HWF(F) responded that PSPs were issued to properly licensed charitable fund-raising activities. Potential donors could request the fund-raising organisations to produce PSPs for verification.

Action

39. Acting Assistant Director of Social Welfare (Subventions) added that charitable fund-raising organisations were required to display a copy of PSP at a prominent location for verification during the fund-raising activities.

40. Mr CHEUNG Man-kwong said that fund-raising activities on public streets were not confined to a specified location where the PSP was displayed. He reiterated that the Administration should consider seriously ways to facilitate easy identification of licensed fund-raising activities. Mr Bernard CHAN shared a similar view.

41. Dr Fernando CHEUNG said that any institution or trust could apply to the Inland Revenue Department (IRD) for recognition of its charitable status under section 88 of the Inland Revenue Ordinance (IRO) (Cap. 112). He considered that a review should be conducted with a view to bringing the monitoring of public charitable fund-raising activities under a designated department and enhancing the transparency of such activities.

42. Chief Assessor (Special Duties)/IRD (CA/IRD) responded that to qualify for tax exemption for the purpose of section 88 of IRO, IRD would assess whether the objects for which the institution/trust was formed were exclusively charitable and of a public character, and whether the activities of the institution/trust were compatible with its charitable objects. CA/IRD said that while there was no statutory definition of the term "charitable", the law defining the legal attributes of a charity was based upon case law developed through court decisions. These included relief of poverty, advancement of education, advancement of religion, etc.

43. Mr Bernard CHAN said that the fund-raising activities organised by bona fide welfare and non-profit making organisations were adversely affected as a result of the malpractices of some charitable fund-raising activities. Mr CHAN urged the Administration to enhance the transparency and accountability of fund-raising activities, especially whether the income generated was spent for the designated purpose. To this end, consideration should be given to making the requirements under the Reference Guide on Best Practices for Charitable Fund-raising Activities and Guide Notes on Internal Financial Controls for Charitable Fund-raising Activities mandatory. The Chairman echoed Mr CHAN's view.

44. PAS/HWF(F) explained that welfare NGOs as well as other charitable organisations could apply for organizing public charitable fund-raising activities and lotteries. Monitoring of such activities was a complex issue which would require cross-departmental concerted efforts.

Action

45. Mr Albert HO suggested that the Panel should further discuss the matter in the next session, especially the monitoring of the use of income generated from public charitable fund-raising activities. Members agreed.

Admin

46. To facilitate future discussion, Dr KWOK Ka-ki requested and the Administration agreed to provide information on the list of charitable organisations which had been granted tax exemption status under section 88 of IRO in the past three years after the meeting.

VI. Implication of 2006 Starting Salaries Survey findings on the social welfare sector

[LC Paper Nos. CB(2)2046/06-07(07), CB(2)2105/06-07(01) to (02) and CB(2)2129/06-07(02) to (03)]

Views of deputations

47. The Chairman welcomed deputations to the meeting. The views of the deputations on the implication of the 2006 Starting Salaries Survey (SSS) findings on the social welfare sector and the lump sum grant (LSG) subvention system are summarised below.

The Hong Kong Council of Social Service
[LC Paper No. CB(2)2143/06-07(07)]

48. Mr Joseph WONG said that the LSG provision to the subvented NGOs had been reduced by 9.3% as a result of the Enhanced Productivity Programme (EPP) and Efficiency Saving (ES) exercise. In the face of rising wage levels at the time of economic recovery, subvented NGOs with reduced LSG provision had financial difficulties in recruiting and retaining talents. Mr WONG pointed out that the staff turnover rate in welfare NGOs was about 15%, which was much higher than that of 2.5% in the social worker grades in the civil service. The proposed upward adjustments of the starting salaries of the civil service grades as a result of the 2006 SSS findings would further widen the gap between the pay scales of NGO staff and the civil service grades.

Hong Kong Social Workers' General Union
[LC Paper No. CB(2)2143/06-07(05)]

49. Mr CHEUNG Kwok-che introduced the submission of the Hong Kong Social Workers' General Union, which set out the views collected from some 800 NGO staff on the implication of the 2006 SSS findings on the subvented welfare sector. Mr CHEUNG considered it necessary to adjust upwards the pay scales in NGOs so as to bring them in line with the adjusted pay scales in the civil

Action

service resulting from the 2006 SSS findings bearing in mind the principle of equal pay for equal work. The Administration should also adjust upwards the annual LSG provision to NGOs by 9.3%, i.e. the level prior to the implementation of EPP and the ES exercise.

Hong Kong Federation of Social Work Students

50. Mr LAU Ho-yin said that to provide incentives for social work students to join the subvented welfare sector after graduation, the Administration should ensure that the pay scales in NGOs were in line with those of the civil service grades.

Hong Kong Chinese Civil Servants' Association, Social Work Officers Grade Branch

[LC Paper No. CB(2)2129/06-07(03)]

51. Mr LEUNG Kin-hung said that the views of the Hong Kong Chinese Civil Servants' Association, Social Work Officers Grade Branch were detailed in its submission. He then gave his views in his personal capacity as a social worker. Mr LEUNG said that given that about 80% of the social workers were employed in the subvented welfare sector, the 2006 SSS findings should be applicable to the subvented welfare NGOs. Staff morale of the welfare sector was affected adversely as a result of an increase in workload and a reduction of salaries under the LSG subvention system. He strongly requested that the pay scales of NGO staff should be adjusted upwards taking into account their length of service. Measures should also be introduced to ensure that NGOs would make corresponding pay adjustment to the starting salaries of their staff after the NGOs obtained additional provision.

Union of HK Rehabilitation Agencies Workshop Instructor

52. Mr YU Chi-ming said that NGOs on LSG had complete flexibility in determining the remuneration of their staff, and many NGOs had reduced the salaries of their staff to tide over the financial difficulties. In the past few years, although NGO staff had to take up additional tasks, their salaries had been reduced. Mr YU considered it unreasonable if NGO staff were not offered appropriate pay increase at a time of economic recovery.

Hong Kong Confederation of Trade Unions Committee of Public Services

[LC Paper No. CB(2)2143/06-07(04)]

53. Mr TANG Wai-wah said that the reduction in financial resources under EPP and the ES exercise had aggravated the financial and manpower shortage problems faced by NGOs; this had affected adversely the quality of their services. He said that under the LSG subvention system, an increasing number of NGO

Action

staff was on contract employment terms, some of which were as short as six months.

Hong Kong Social Workers Association

54. Mr CHUA Hoi-wai said that since almost 80% of welfare services were provided by subvented NGOs, the Administration should allocate sufficient resources to NGOs to ensure that they could offer reasonable remuneration packages to their staff. He further said that the Administration should adjust upwards the funding for special projects. Mr CHUA added that the LSG subvention system should be reviewed expeditiously.

Stewards Social Service Branch Staff Union

55. Mr KOO Wing-hon made a similar suggestion of adjusting upwards the provisions for NGOs to carry out special projects such as the New Dawn Project under the CSSA Scheme. He said that the salaries of those frontline NGO staff who were on contract terms were lower than others performing the same types of duties in the same organisation. Mr KOO strongly urged the Administration to resolve the problem of low staff morale and high staff turnover of NGOs having regard to the principle of equal pay for equal work.

Fight for Social Welfare Alliance

[LC Paper No. CB(2)2143/06-07(06)]

56. Mr YUM Kwok-tung expressed disagreement with the Administration that SWD had not made any downward adjustment to the annual LSG provision in respect of the NGO services implemented before April 2000 as set out in its paper. He said that the annual LSG provision to NGOs had been reduced by 9.3% as a result of EPP and the ES exercise. To save manpower costs, new recruits of NGOs were offered a lower remuneration packages since the implementation of the LSG subvention system.

The Boys' & Girls' Clubs Association of Hong Kong Staff Club

[LC Paper No. CB(2)2143/06-07(09)]

57. Ms TANG Yin-ping expressed dissatisfaction at the Administration's reluctance to address the financial difficulties faced by the subvented NGOs after the implementation of the LSG subvention system. She said that as the pay scales in the civil service would be adjusted upwards as a result of the 2006 SSS survey findings, the gap between the salary levels of NGO staff and civil service grades would be further widened. As such, she envisaged that brain drain would take place in subvented NGOs. Ms TANG urged the Administration to ensure equal pay for equal work in the welfare sector.

Action

Other deputations attending the meeting

58. Representatives of the following deputations concurred with the views of the above deputations and had nothing to add –

- (a) Social Welfare Organizations Employees Union;
- (b) Chung Shak-hei (Cheung Chau) Home for the Aged, Ltd. Employees General Union;
- (c) Staff Union of the Mental Health Association of Hong Kong [LC Paper No. CB(2)2105/06-07(01)];
- (d) Department of Social Sciences in Caritas Francis Hsu College [LC Paper No. CB(2)2143/06-07(08)];
- (e) Community Care and Nursing Home Workers General Union; and
- (f) Staff Association of The Hong Kong Federation of Youth Groups [LC Paper No. CB(2)2143/06-07(10)].

59. Members noted that St. James Settlement and 基督教香港信義會天恩展能服務 had provided written submissions (LC Paper Nos. CB(2)2105/06-07(02) and CB(2)2143/06-07(11) respectively) but had not sent representatives to the meeting.

Discussion

Implications of the 2006 SSS findings on the welfare sector

60. Dr KWOK Ka-ki said that as a result of EPP and the ES exercise, the salaries of NGO staff had been reduced in the past few years. To address the problem of high turnover rates in NGOs and the wide gap between the salary levels of NGO staff and civil service grades, there was a need to adjust upwards the LSG provision. Noting that the Administration considered that no adjustment to the annual LSG provision was required for services implemented before April 2000, Dr KWOK asked about the justifications for the decision. Mr LEUNG Kwok-hung raised a similar concern and said that upward adjustments should be made to the annual LSG provision and salary levels of employees in subvented NGOs.

61. Deputy Director of Social Welfare (Services) (DDSW(S)) explained that the Administration proposed to adjust upwards the LSG provision for 'new' NGO subvented services commissioned on or after 1 April 2000 to bring it in line with

Action

the adjusted pay scales resulting from the 2006 SSS findings, noting that the LSG provision of these services was calculated with reference to the salaries of the then lower salary pay scales. As for services implemented before 1 April 2000, no adjustment would be required as the LSG provision was calculated on the basis of the higher civil service mid-point salaries as at 31 March 2000. Separately, the Administration would also adjust the subventions of NGOs upward as a result of the impending pay adjustment for civil servants in accordance with the LSG manual. DDSW(S) said that the Director of Social Welfare had written a letter to the subvented NGOs stating the proposed arrangements.

62. DDSW(S) also advised that under the LSG subvention system, NGOs had complete flexibility in determining their staffing structures and the remuneration of their staff. With the proposed upward adjustment of the LSG funding, individual NGOs would continue to enjoy the autonomy in determining how the remuneration of their staff should be adjusted.

63. Mr CHEUNG Man-kwong considered that the Administration's response fell far short of meeting the request from subvented NGOs for increasing their salaries on a par with those of the civil service grades. He expressed grave concern that although the Administration would adjust the annual LSG provision in respect of subvented services commissioned on or after April 2000, some management of NGOs would not make corresponding upward adjustment to the starting salaries of their staff. Mr CHEUNG asked whether a mechanism was in place to ensure that NGOs on LSG would adjust upwards the starting salaries of their staff so as to bring them in line with the adjusted pay scales in the civil service.

64. Mr Albert HO and Mr Alan LEONG said that it was the Government's responsibility to ensure that with the proposed upward adjustments of the LSG provision, individual NGOs would adjust upwards the salaries of their staff correspondingly.

65. Mr Albert HO said that the disparity in pay among welfare workers performing the same duties was neither fair nor reasonable. He suggested that consideration should be given to enhancing the transparency of the amount of LSG provision given to NGOs so that the affected staff and the welfare sector could monitor whether NGOs had made corresponding pay rise to their staff.

66. Expressing similar views, Mr Frederick FUNG considered it unreasonable that the salary levels of NGO staff were reduced to achieve the savings target of EPP and the ES exercise, but not adjusted upwards at the time of economic recovery. Mr FUNG held the view that the Administration had the responsibility to ensure equal pay for equal work in the welfare sector and, in the interim, measures should be introduced to ensure that NGOs on LSG would

Action

adjust upwards the salaries of their staff so as to bring them in line with the adjusted pay scales in the civil service.

67. Responding to members, PAS/HWF(F) reiterated that the annual LSG provision to NGOs in respect of their services implemented before April 2000 had not been deducted pursuant to the reduction in pay scales of certain civil service grades as a result of the 1999 SSS findings. Meanwhile, for 'new' NGO subvented services commissioned on or after 1 April 2000, the Administration proposed to correspondingly adjust the LSG provision upwards, as a result of the 2006 SSS findings. PAS/HWF(F) said that with the proposed upward adjustments of the LSG provision, individual NGOs would determine how the remuneration of their staff should be adjusted.

68. DDSW(S) added that in allocating new subvented services, SWD would issue letters to individual NGOs on LSG, which set out, among others, the breakdown of the annual LSG provision, including the provisions for personal emoluments.

Role of the LSG Steering Committee

69. Noting that the LSG Steering Committee had not held any meetings for almost one year, Mr Frederick FUNG asked the Administration to provide an explanation.

70. PAS/HWF(F) responded that the terms of reference of the LSG Steering Committee were, among other things, to monitor the progress of LSG implementation. As the LSG subvention system had been implemented for years, and after the smooth introduction / completion of the Tide-over Grant and the Special One-off Grant schemes, the Steering Committee did not need to meet frequently.

71. Responding to Mr CHEUNG Man-kwong's enquiry about the role of the LSG Steering Committee, Mr CHEUNG Kwok-che of the Hong Kong Social Workers' General Union said that the Steering Committee could enhance the transparency of the use of the annual LSG provision by the management of NGOs. NGO staff could lodge complaints to the LSG Steering Committee against their employers for not making corresponding adjustments to their salaries if the staff concerned was aware of the level of adjustments made to the annual LSG provision. Mr CHEUNG further said that the Chief Executive had pledged in his election forum that a comprehensive review on the LSG subvention system would be conducted. To honour the pledge, the Administration should conduct the review expeditiously.

Action

Review on LSG subvention system

72. Dr KWOK Ka-kai said that having regard to the grievances expressed by the welfare sector, a review of the LSG subvention system should be conducted without delay.

73. Echoing similar views, Mr LEUNG Kwok-hung said that he had objected the introduction of the LSG subvention system when it was proposed, as the system aimed to reduce welfare expenditure and failed to address the growing demand for welfare services.

74. Dr Fernando CHEUNG said that as the LSG subvention system had affected adversely the quality of social welfare services, the Panel had passed a motion urging the Administration to conduct a review of the LSG subvention system. He expressed disappointment at the Administration's reluctance to take heed of members' request. Dr CHEUNG noted with concern that the widening gap between the salary levels of NGO staff and civil service grades had affected staff morale of the welfare sector. To alleviate the financial problems faced by subvented NGOs, Dr CHEUNG strongly urged the Administration to adjust upwards the LSG provision by 9.3%, i.e. the level prior to the implementation of EPP and ES.

75. PAS/HWF(F) responded that the Administration was appreciative of the efforts made by the subvented welfare sector in achieving the targets of EPP and ES. He pointed out that EPP and ES were across-the-board exercises in the whole public sector, including the Government and all subvented bodies. Also, the savings targets for subvented welfare NGOs were indeed lower than those for Government departments. PAS/HWF(F) stressed that participation in the LSG subvention system was a voluntary and conscious decision of the concerned NGO, which was an independent entity and had its own board of directors. While a vast majority of subvented NGOs had joined the system, a few NGOs had chosen not to do so.

76. Dr Fernando CHEUNG remained unconvinced of the Administration's explanation. He considered that despite NGOs having joined the LSG subvention system voluntarily, the Administration should review the system which was beset with problems.

77. PAS/HWF(F) responded that the LSG subvention system had provided greater flexibility for NGOs in resources allocation. In addition, the Administration had introduced the Tide-Over Grant and the Special One-off Grant to assist NGOs to make necessary adjustments to meet their financial commitments after the launch of LSG. LSG was a well-established Government policy widely accepted by NGOs. The Administration would

Action

continue to work with the welfare sector with a view to fine-tuning the operation of the LSG subvention system, without changing the established policy of LSG.

78. Mr CHEUNG Man-kwong, Mr Albert HO, Mr Frederick FUNG and Mr Alan LEONG considered the Administration's explanation unacceptable. They said that the grave concern expressed by the NGO staff concerning the application of the 2006 SSS findings to the subvented welfare sector was rooted in the implementation of the LSG subvention system. Given the improvement in the Government's fiscal position, the Administration should review the LSG subvention system expeditiously.

79. The Chairman said that she had received complaints from staff in subvented welfare NGOs against the unreasonable reduction of their remuneration packages. She urged the Government in the next term to accord priority to reviewing the LSG subvention system which had created problems in the welfare sector. The Chairman said that as the Administration had not fully addressed the issues of concern raised by members, the Panel should follow up the discussion on the implications of the 2006 SSS findings on the welfare sector.

80. Referring to his earlier suggestion of holding a joint meeting with the Panel on Health Services, Dr KWOK Ka-ki said that a joint meeting should be held to discuss the implications of the 2006 SSS findings on the subvented healthcare and welfare sectors, and the Secretary for Health, Welfare and Food should be invited to the meeting.

81. Echoing Dr KWOK Ka-ki's suggestion, Dr Fernando CHEUNG said that the joint meeting should be held before the funding proposal on the application of the 2006 SSS findings to the civil service was considered by the Finance Committee.

82. Members agreed that the joint meeting with the Panel on Health Services should be scheduled tentatively for late June 2007. The Chairman said that members would be informed of the date of the meeting in due course.

(Post-meeting note : The joint meeting of the Panel and the Panel on Health Services was held on 25 June 2007.)

VII. Any other business

83. There being no other business, the meeting ended at 1:35 pm.