

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 5th meeting
held at the Legislative Council Chamber
on Friday, 5 December 2008, at 3:00 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat

Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Hon Tanya CHAN
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon WONG Yuk-man
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Members absent:

Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Dr Hon Joseph LEE Kok-long, JP

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1

Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Paul TANG Kwok-wai, JP	Permanent Secretary for Labour and Welfare
Ms Carol YIP Man-kuen, JP	Deputy Secretary for Labour and Welfare (Welfare)2
Mrs Anna MAK CHOW Suk-har	Assistant Director for Social Welfare (Family and Child Welfare)

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Anita SIT	Chief Council Secretary (1)4
Mr Simon CHEUNG	Council Secretary (1)1
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 1 - FCR(2008-09)47

HEAD 170 - SOCIAL WELFARE DEPARTMENT

• **Subhead 700 General non-recurrent**

New Item "Short-term food assistance"

The Chairman said that members were requested to consider and approve the Administration's proposal on a new commitment of \$100 million for providing short-term food assistance for individuals and families in need.

2. Mr Albert CHAN, Chairman of the Panel on Welfare Services, reported that the Administration's proposal had been discussed by the Panel on 10 November 2008. Panel members in principle supported the Administration's proposal, but expressed concerns about the target service users, service scope and other implementation details including service locations, food types, service duration and administrative costs. The Administration informed Panel members that services users with long-term welfare needs would be referred by the operating non-governmental organizations (NGOs) to Social Welfare Department (SWD) or other service agencies for appropriate welfare services.

3. Dr David LI declared interest that he was the Chairman of the Executive Committee of St James' Settlement.

4. Mr WONG Sing-chi declared interest that he was serving as a volunteer in a NGO which might apply to become an operating NGO for the proposed food assistance service.

Target service users

5. Mr WONG Kwok-hing welcomed the proposal which he believed could provide timely relief to individuals and families not covered by any of the economic relief measures announced by the Chief Executive earlier in the year. With the onset of the economic downturn caused by the global financial crisis, he foresaw that more and more people would be laid off from work. Being temporarily unemployed, these people might not be eligible for Comprehensive Social Security Assistance (CSSA) or other forms of welfare services, but had genuine needs for short-term food assistance. He therefore urged the Administration to include the temporarily unemployed as one of the categories of target service users of the food assistance service. He also considered that the Administration should establish a mechanism to handle complaints from service users and those who failed to obtain the service.

6. The Permanent Secretary for Labour and Welfare (PSLW) responded that since the short-term food assistance targeted at poor people with low levels of savings and assets, those who were temporarily out of job but did not have difficulties in coping with daily food expenditure would not normally be considered. However, SWD would always be willing to review exceptional cases which warranted special consideration. Given that the proposed food assistance service was short-term in nature, the Administration had no intention to set up an appeal or complaint mechanism as in the case of other ongoing welfare services.

7. Mr WONG Kwok-hing requested to put on record his view that the Administration should implement the programme with greatest flexibility to accommodate exceptional cases.

Allocation of funds

8. Mr Albert HO sought clarification on how the \$100 million funding would be allocated for different uses. He was particularly concerned about the level of funding to cover the administrative costs of the service. The Deputy Secretary for Labour and Welfare (Welfare)2 (DS(W)2) advised that out of the \$100 million funding, up to \$12.5 million would be allocated to the five operating NGOs (i.e. a maximum of \$2.5 million for each operating NGO) as a one-off setting-up provision, \$60 million would be allocated to cover the operational expenses (i.e. \$12 million for each operating NGO), and \$27.5 million would be reserved for meeting additional service demands in future. The administrative costs, including the costs for hiring staff for the service, should not exceed 15% of the provision for operational expenses.

9. Mr WONG Sing-chi said that the Democratic Party supported the Administration's proposal. He enquired whether part of the provision for the operational expenses could be used for employing staff. PSLW advised that up to 15% of the provision for the operational expenses of each operating NGO might be used for meeting the administrative costs. The operating NGOs should maintain the administrative costs within a reasonable level. The Administration would raise no objection provided that any staff hired using the provision was engaged directly in the food assistance service.

10. Ms Cyd HO sought explanation for the \$12.5 million one-off setting up provision for the operating NGOs. She expressed concern that as the service projects might last for a short duration of one to several years, it would not be cost-effective to spend much on acquiring special equipment or facilities for the service projects.

11. PSLW explained that the one-off setting up provision was meant to cover the expenses of the operating NGOs for fitting-out premises, purchasing food storage/processing equipment as well as minor furniture and equipment items, etc. The expenses in this regard might be considered an investment for the NGOs to continue operating their service after public funding had ended.

12. Mr IP Kwok-him held a strong view that the operating NGOs should not be allowed to spend more than 15% of the provision for operational expenses or administrative items.

13. Mr Tommy CHEUNG said that while the Liberal Party supported the proposal, he shared the concern that the Administration should exercise vigilant control over the administrative costs for providing the food assistance service. The Administration should draw up clear guidelines to the operating NGOs in this regard. PSLW assured members that the Administration would be vigilant in vetting the administrative expenses of the operating NGOs, and particular attention would be given to any proposal involving the hiring of staff. The Administration would not allow the use of any funding for the short-term food assistance service to subsidize the other existing services of the NGOs.

Implementation schedule and selection of operating NGOs

14. In reply to Ms LI Fung-ying, PSLW said that the Administration's plan was to implement the service projects as soon as possible after approval was given by the Finance Committee (FC). The Assistant Director of Social Welfare (Family and Child Welfare) (AD(FCW)) supplemented that the Administration would shortly invite some 200 subvented agencies, agencies in receipt of rent and rate subsidy and agencies which had indicated an interest in the food assistance service to submit proposals to SWD. The deadline for submission of proposals would be early January 2009, and the result was expected to be announced in the same month. As the five selected operating NGOs would need time for the necessary preparations, the Administration aimed to commence the food assistance service projects in

February 2009. Information on the service projects would be displayed on SWD's website. On the selection criteria, AD(FCW) said that applicant agencies should be charitable organizations, and SWD would examine their proposals in accordance with the established procedures. She confirmed that agencies which were not currently providing similar services could apply to operate the service.

Admin 15. The Chairman requested the Administration to report to FC the specific criteria and procedures for selection of the five operating NGOs for the short-term food assistance service projects, as well as the outcome of the selection exercise in due course.

Promotion to service users and assessment of needs

16. Dr PAN Pey-chyou expressed concern that some individuals and families with genuine need for short-term food assistance might not be aware of the availability and details of the food assistance service. He suggested that a dedicated hotline be set up to handle relevant enquiries from prospective service users. PSLW said that a more effective way of reaching prospective service users would be through local networks. The operating NGOs would be urged to actively engage local organizations and community groups to identify and refer target service users to them for assistance. Individuals and families with service needs might also approach the operating NGOs directly, or sought referrals by any Government department, welfare service agency, local organization, school and Legislative/District Councillor. Moreover, the Administration would publicize the short-term food assistance project through the media.

17. In reply to Dr Priscilla LEUNG, AD(FCW) advised that the Administration estimated that a minimum of 50 000 persons were expected to benefit from the five service projects.

18. Ms Starry LEE requested the Administration to operate the food assistance service in an emphatic, humane and flexible manner similar to the food banks in the United States, giving due regard to the feelings of the service users. Mr Alan LEONG also urged the Administration to adopt a lenient approach in assessing the eligibility of service users, as people would only seek the food assistance as the last resort to cope with their basic needs. PSLW appreciated members' concerns and remarked that to ensure proper use of public funding, appropriate measures against abuses would need to be put in place but the operating NGOs would be advised to keep the application and assessment procedures as simple as possible.

Admin 19. In response to the Chairman's enquiry, DS(W)2 said that applicants for the food assistance would only be required to provide basic documentary proof. For instance, those living in bedspace apartments, cubicle apartments, rooftop structures and squatter areas would be required to produce proof of residence. The Administration would consult the operating NGOs before formulating the detailed arrangements. The Chairman requested the Administration to report to FC on the

application and assessment procedures for establishing individual applicants' eligibility for the food assistance service in due course.

20. Mr Alan LEONG enquired whether the Administration would require operating NGOs to process applications for the food assistance within a certain time frame. Noting from the Administration's proposal that each service user would receive food assistance for a maximum of six weeks, he opined that there should be flexibility in this regard. AD(FCW) responded that there would be appropriate requirements on the application processing time for operating NGOs to follow. As regards provision of further food assistance after six weeks, AD(FCW) said that such cases could be considered by operating NGOs taking into account the circumstances of the individuals or families concerned. However, for cases with long-term welfare needs, operating NGOs should refer them to appropriate service agencies for assistance.

21. Dr PAN Pey-chyou supported the proposal and suggested the Administration to consider setting aside a small portion of the funding to educate the service users on healthy diet and the use of inexpensive and yet nutritious food for preparing their meals. In response, PSLW said that the Administration would require operating NGOs to provide nutritious food items to the service users. The Administration would consider Dr PAN's suggestion on promotion of healthy and balanced diet to service users.

22. Dr Margaret NG was concerned that people suffering from cruel tortures, inhuman or degrading punishment as well as people seeking political asylum in Hong Kong would not be covered by the food assistance service projects. In response, PSLW and DS(W)2 advised said there was a separate service programme operated by the International Social Service (Hong Kong Branch) (ISS(HKB)) providing a complete spectrum of services including accommodation, food, clothing, and other daily necessities to cater for the needs of those who claimed to be suffering from cruel tortures and inhumane punishments and those seeking political asylum in Hong Kong. In case a service user found that ISS(HKB) failed to meet his/her needs immediately, he/she might approach SWD's Integrated Family Service Centres (IFSCs) for assistance. It was the current policy that anyone with urgent welfare needs including those enduring starvation should approach SWD's IFSCs for immediate assistance.

Other issues

23. Ms Starry LEE urged the Administration to collaborate with the private sector as far as possible for support and sponsorship towards the food assistance service projects. PSLW said that the operating NGOs would be encouraged to approach private enterprises for support. He was aware that at present, some NGOs were already providing food assistance service with monetary and in-kind donations from private enterprises.

24. Pointing out that the service demand of the five project areas might be very different, Mr WONG Kwok-hing and Dr Priscilla LEUNG enquired how the variation in service demand could be catered for during the operation of the service projects. PSLW and AD(FCW) advised that the Administration would conduct regular reviews of the service projects and would use the reserved funding of \$27.5 million to meet service demands in excess of the provisions allocated to NGOs in the first round. If necessary, the approval of FC for additional funding might be sought for the short-term food assistance service projects.

25. In response to Ms Starry LEE's enquiry, AD(FCW) said that the Administration would closely monitor the performance of the operating NGOs by examining their service data and relevant financial information. Where necessary, the Administration would conduct inspections to the operating NGOs.

26. Ms Cyd HO expressed concern that the Administration might make use of the food assistance service to replace or delay other welfare services for those in need. She understood that some social workers had the same worry. PSLW responded that the Administration had no intention of using the short-term food assistance to replace any of the existing welfare services. The purpose of the proposed service projects was to provide short-term food assistance for individuals and families in need. In doing so, these service projects would supplement the existing services which might require a longer processing time. He assured members that service users with long-term welfare needs such as CSSA would be referred to SWD/appropriate NGOs for follow-up, and the short-term food assistance service projects would not cause delay to applications for other welfare services.

27. The Chairman put the item to vote. The Committee approved the proposal.

28. The meeting was adjourned at 4:05 pm.