

Panel on Welfare Services
Subcommittee on Poverty Alleviation

At the meeting on 7 July 2009, Members requested the Administration to collate, as far as practicable, information in relation to the social enterprises (SEs) under the Enhancing Self-Reliance Through District Partnership (ESR) Programme and the award of government services contracts to SEs under priority bidding. The relevant information is summarized below –

Information required	Administration's response
(a) the operational experience of SEs under the ESR Programme (e.g. the number of SEs which were making a profit, a loss and breakeven) and the proportion of sustainable SEs	<p>Similar to commercial enterprises, SEs have to compete in the market and have the chance to succeed or be driven out of the market. In general, SEs require more resources during their initial operations and will only be able to sustain after running for some time when they are able to identify their market niches.</p> <p>The performance of SEs approved under the ESR Programme is closely monitored by the Advisory Committee through regular progress reports from the grantees. On the basis of the progress reports submitted by these SEs, we noticed that about two-third of them were able to achieve or exceed the original targets (in terms of, for example, business turnover, profit and loss, number of employees, etc.). As at the end of September 2009, 38 SEs had their two-year funding period expired. Of these, three SE operators have decided to terminate their businesses upon expiry of the two-year funding period because the SEs were unable to meet their targets. The rest are still in operation.</p>
(b) the number of job opportunities arising from the award of government services contracts to SEs under priority bidding	<p>The pilot scheme of awarding government contracts to SEs under priority bidding commenced in February 2008. Among the 38 cleansing service contracts of one year duration each for priority bidding, 16 contracts were awarded to SEs, providing over 150 jobs. The pilot scheme has been continued in 2009-10. 33 cleansing service contracts continue to be available for priority bidding by SEs. Furthermore, 21 additional service contracts (including 14 cleansing service contracts and seven gardening service contracts) have been identified. It is estimated that over 400 job opportunities will arise from the 54 service contracts.</p>