

## **Legislative Council Panel on Home Affairs**

### **Review on Financial Assistance to Mutual Aid Committees Provided by the Home Affairs Department**

#### **PURPOSE**

This paper seeks Members' views on the financial assistance to Mutual Aid Committees (MACs) provided by the Home Affairs Department (HAD).

#### **BACKGROUND**

2. MACs are voluntary bodies formed by the residents of a building, for the purpose of promoting mutual assistance in the neighbourhood among residents and fostering a sense of belonging to the community. MACs also provide a channel of communication between the Government and residents on matters affecting the well-being of the individual and the community. There are currently around 2 700 MACs in Hong Kong.

3. At present, the Government provides various kinds of support to facilitate the formation and operation of MACs. These include :

- (a) newly-formed MACs may claim, on a one-off basis, reimbursement for actual expenses incurred within a specified period for a maximum amount of \$1,000;
- (b) MACs may claim, on a quarterly basis, reimbursement for basic expenditure items including electricity charges, telephone bills, office equipment, stationery, loudhailer, banking service charge, etc. The current maximum limit of the quarterly financial assistance is \$1,000, subject to revision by reference to the movement of the Consumer Price Index (A);

- (c) those MACs that occupy office premises in public housing estates may apply for payment of concessionary or nominal rent to the Housing Authority; and
- (d) MACs, like other district organisations, may apply for District Council (DC) funds to organise community building activities and cultural and recreational activities.

## **NEED FOR REVIEW**

4. In the light of the growing involvement of MACs in various community activities and services in which the Government is encouraging them to participate, there have been calls for a review of the current financial assistance for MACs. Raising funds to meet the associated increase in expenses is posing some difficulty for MAC office-bearers. Views from some MAC office bearers and other stakeholders are summarised as follows :

- (a) the one-off setting-up payment is inadequate for the purchase of more expensive capital items such as air-conditioner and computer;
- (b) the quarterly financial assistance is inadequate to cover other basic office operation expenses and replenish office consumables, after deducting such recurrent expenses as electricity charges, telephone bills, rates and government rents;
- (c) separate funding should be provided for MACs to organise activities and provide light refreshment to encourage gathering of residents; and
- (d) application procedures for the quarterly financial assistance and for DC funds are cumbersome, citing examples of the requirements for reimbursement on actual expenses, invitation of quotations for procurement of goods and services, and expenditure ceilings on food and beverage for participants.

## **BASIC PRINCIPLES OF REVIEW**

5. We shall review the level of financial assistance to MACs in accordance with the following principles –

- (a) the primary purpose of the financial assistance is to ensure that the operation of MACs are not constrained by a lack of funds to meet set-up costs and administrative overheads;
- (b) the funds allocated to MACs are public funds and the prevailing financial control and safeguards should apply; and
- (c) the expenses should be incurred solely in connection with the running of MACs.

6. Having regard to the above principles, we shall proceed to review the level of financial assistance to MACs and consider the relevant financial implications for further facilitating the formation and operation of MACs. We shall also explore the possibility of streamlining the application and reimbursement procedures, without compromising the principle of prudent use of public funds.

## **TIMETABLE**

7. Subject to Members' views, we plan to consult the Panel on the result of the review at its meeting in June 2010. Should the review lead to any changes in the parameters formally approved by the Finance Committee (FC), with the Panel's support, we plan to make a submission to FC in July 2010. Our target is to put into effect the revised financial assistance scheme, if any, for MACs from the quarter starting from 1 October 2010.

## **ADVICE SOUGHT**

8. Members' views are sought on the case for a review of HAD's financial assistance to MACs and, if so, the proposed general direction of the review.

Home Affairs Department  
March 2010