

立法會
Legislative Council

LC Paper No. CB(2)1489/09-10
(These minutes have been seen
by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 12 April 2010, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon WONG Sing-chi (Chairman)
Hon CHEUNG Kwok-che (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Dr Hon LEUNG Ka-lau
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Dr Hon PAN Pey-chyou

Public Officers attending : Item IV

Mr Matthew CHEUNG Kin-chung, GBS, JP
Secretary for Labour and Welfare

Mr Patrick NIP Tak-kuen, JP
Director of Social Welfare

Mr Stephen SUI Wai-keung
Commissioner for Rehabilitation
Labour and Welfare Bureau

Mrs Cecilia YUEN
Assistant Director of Social Welfare
(Rehabilitation & Medical Social Services)

Item V

Ms Irene YOUNG Bick-kwan
Deputy Secretary for Labour and Welfare (Welfare)2

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

Mr NG Wai-kuen
Chief Social Security Officer (Social Security)1
Social Welfare Department

Item VI

Mr CHEUNG Hing-wah
Deputy Director of Social Welfare (Services)

Mr FUNG Man-lok
Assistant Director of Social Welfare
(Youth and Corrections)

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

Staff in attendance : Mr YICK Wing-kin
Assistant Legal Adviser 8

Ms Yvonne YU
Senior Council Secretary (2) 5

Miss Karen LAI
Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Confirmation of minutes

[LC Paper No. CB(2)1194/09-10]

The minutes of the meeting held on 8 March 2010 were confirmed.

II. Information paper(s) issued since the last meeting

[LC Paper No. CB(2)1181/09-10(01)]

2. Members noted that the referral from a Duty Roster Member regarding the Old Age Allowance and the Disability Allowance under the Social Security Allowance Scheme had been issued since the last meeting.

III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)1195/09-10(01) to (02)]

3. Members agreed that the next meeting originally scheduled for 10 May 2010 would be rescheduled to 14 May 2010 at 10:45 am. Members further agreed to discuss the following items proposed by the Administration at the next meeting –

- (a) Progress report on the Child Development Fund; and
- (b) Report on the progress of implementation of recommendations of the Lump Sum Grant Independent Review Committee.

IV. Progress on the Preparation of the Residential Care Homes (Persons with Disabilities) Bill

[LC Paper Nos. CB(2)1195/09-10(03) to (04)]

4. Secretary for Labour and Welfare ("SLW") said that in accordance with the strategic directions set out in the 2007 Rehabilitation Programme Plan and in response to members' views, the Administration had undertaken to regulate residential care homes for persons with disabilities ("RCHDs") through a statutory licensing scheme so as to ensure their service quality and help the market develop residential care homes of different types and operational modes. Since the last reports to the Panel in January and March 2009, the Administration had pressed ahead with the drafting of the Residential Care Homes (Persons with Disabilities) Bill ("the Bill"), and had reviewed the related policy issues having regard to members' comments and stakeholders' views. The Bill aimed to provide for the control of RCHDs through a licensing system administered by the Director of Social Welfare ("DSW"). The legislative proposals in the Bill were outlined in the Administration's paper.

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5. SLW stressed that in tandem with the legislative proposals, the Administration would formulate suitable complementary measures to encourage private RCHDs to upgrade their service standards; minimise the impact to existing service users of RCHDs; and help the market develop RCHDs of different operational modes, thereby providing more service options for people with disabilities ("PWDs"). To this end, the Administration would introduce a pilot Bought Place Scheme for private RCHDs ("BPS") prior to the implementation of the statutory licensing system. In addition, the Administration would also implement a Financial Assistance Scheme after enactment of the Bill to provide subsidies to private RCHDs to carry out improvement works for compliance with the licensing requirements in building and fire safety. To allow time for individual RCHDs to put in place suitable arrangements to meet the requirements for a licence or a Certificate of Exemption ("COE") upon commencement of the proposed legislation and for the Social Welfare Department ("SWD") to process all such applications, there would be a grace period of 18 months after which any RCHDs operating without a valid licence or COE would be guilty of an offence upon conviction. SLW added that the Administration planned to introduce the Bill into the Legislative Council within 2009-2010 legislative session.

6. Comparing the space and staffing requirements set out in the existing non-statutory Code of Practice for RCHDs issued in 2002 with those set out in the draft Code of Practice, Mr Ronny TONG was concerned that the licensing standards for RCHDs were lower than the existing Code. In his view, the proposal was a retrograde step. Referring to the recent media reports that some private residential care homes for the elderly ("RCHE") had arranged non-RCHE staff to pose as employees during the inspection of SWD's licensing officers so as to meet the statutory staffing requirements, Mr TONG asked about the enforcement mechanism put in place under the proposed legislation to ensure compliance of statutory licensing standards and to enhance deterrence of non-compliance by RCHDs.

7. SLW said that the purpose of the licensing scheme was to ensure the service quality of RCHDs. As part of the statutory licensing system, a Code of Practice would set out the minimum licensing standards for compliance by RCHDs. For this purpose, a Working Group comprising representatives from PWDs, parent groups, subvented RCHDs, private RCHDs, the academia and the Hong Kong Council of Social Service had been set up to review the existing Code of Practice. In the process, it had convened meetings and organised consultation sessions to gauge the views of the rehabilitation sector and stakeholders. SLW stressed that the standards proposed in the draft Code of Practice were set to balance the practical situations of RCHDs and the needs of PWDs.

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8. SLW further said that the Administration would model on the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) ("the RCHE Ordinance") and propose to adopt similar provisions relating to the offences and penalties for operating a RCHD without a valid licence or COE, the making of false statements in applications, the obstruction of inspectors in performing their duties, and failure to comply with the requirements of a direction given by DSW, etc. Non-compliance would be liable on conviction to a fine at level six (at present \$100,000) and to imprisonment for two years and to a fine of \$10,000 for each day during which the offence continued. On the enforcement front, SLW said that SWD staff would make regular inspections to each home annually. It would also conduct surprise inspections to ensure compliance of the licensing requirements. Penalties would be imposed for non-compliance with the licensing requirements.

9. DSW said that under the Bill, DSW would be empowered to issue a statutory Code of Practice specifying detailed requirements and standards for the operation of RCHDs and compliance by the licensees. A Licensing Office would be set up to ensure compliance of the licensing requirements as specified in the RCHD Ordinance (when enacted), its Regulation and the Code of Practice. With reference to members' concerns about the media reports, DSW said that during the inspections by the staff of the Licensing Office of Residential Care Homes for the Elderly of SWD, the licensees were required to provide SWD staff with the relevant management records, including staff employment records in which the personal particulars, monthly salary, working hours and shifts, terms of appointment, date of appointment/resignation or dismissal, etc were kept. It was practically difficult for RCHEs to arrange non-staff to pose as employees during SWD's inspections. Moreover, SWD had not received any complaint of such kind.

10. Mr TAM Yiu-chung welcomed the introduction of a licensing regime to improve the service quality of RCHDs. As evidenced by the fact that only six private RCHDs had joined the Voluntary Registration Scheme ("VRS"), Mr TAM was worried that most private RCHDs would close down after the implementation of the licensing scheme for being unable to meet the higher licensing standards and requirements. He expressed grave concern about the impact of the licensing scheme on the operation of private RCHDs and the well-being of the RCHD residents.

11. SLW said that the Administration would formulate suitable complementary measures to encourage private RCHDs to upgrade their service standards. To this end, a pilot BPS would be introduced prior to the implementation of the statutory licensing system to encourage the private RCHD operators to enhance their service quality, and a financial assistance scheme would be implemented upon enactment of the Bill to provide subsidies to private RCHDs to carry out improvement works for compliance with the licensing

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requirements in building and fire safety. Besides, there would be a grace period for RCHDs to apply for a licence or a COE upon commencement of the proposed legislation.

12. DSW said that the number of private RCHDs known to SWD had increased from 40 in March 2008 to 54 in December 2009, representing an increase of 35% in less than two years. In addition, some private RCHDs had indicated that they would join the sector upon learning of the introduction of the complementary measures. The Administration envisaged that more RCHD places were coming on stream.

13. Dr PAN Pey-chyou was surprised to learn from the media reports about the alleged arrangement of non-RCHE staff posing as employees during the inspection by SWD staff. Given that the concern about maltreatment of RCHE residents was not something new, he expressed grave concern about the service monitoring of private RCHDs if the legislative proposals were modelled on the RCHE Ordinance. To safeguard the well-being of private RCHE and RCHD residents, he wondered whether the Administration would step up monitoring of private homes, such as increasing the frequency of unannounced inspections.

14. SLW said that RCHE licensees were obliged to maintain and produce staff employment records for inspection by SWD staff. It was infeasible for the licensees to arrange someone else to pose as RCHE staff during SWD's inspection on the spot. DSW added that the Administration would meet with representatives of association of private residential care homes. Any information relevant to the monitoring of residential care homes would be welcome, and SWD would take appropriate follow-up actions upon receipt of complaints. DSW advised that SWD had successfully laid 15 prosecutions against non-compliance acts by RCHEs in the past three years.

15. Expressing similar concerns with Mr Ronny TONG, Mr Albert HO criticised that the licensing scheme for RCHDs was trimming the toes to suit the shoes. Having envisaged that some private RCHDs would discontinue operation for not being able to meet the licensing standards, the Administration lowered the service standards in order to facilitate those substandard private RCHDs to continue operation. In his view, the Administration was putting the cart before the horse and taking a retrogressive step, i.e. to legitimise the substandard operation of RCHDs at the expense of the well-being of RCHD residents.

16. DSW advised that the existing non-statutory Code of Practice for RCHDs was issued in March 2002 to serve as a guide to the operators on the minimum standards of service. In preparation for the statutory licensing mechanism, SWD implemented a VRS for private RCHDs as an interim measure to encourage private RCHD operators to enhance their service quality. In tandem,

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SWD had been working on a statutory Code of Practice for RCHDs which would set out the minimum licensing standards for compliance by RCHDs. For this purpose, SWD had consulted the sector and stakeholders, and set up a Working Group to review the existing non-statutory Code, taking into account the practical situations of RCHDs and the specific needs of PWDs. It was generally agreed that the Bill would be modelled on the RCHE Ordinance as far as practicable while giving due consideration to the circumstances specific to RCHDs. The standards set out in the draft Code for RCHDs had been prepared after balancing the different views of the rehabilitation sector and stakeholders.

17. Ms LI Fung-ying pointed out that in 2008, members were informed that although 26 private RCHDs had submitted applications to join VRS, only six had successfully joined VRS; and 14 private RCHDs had not applied to join VRS for various reasons such as not being able to meet the requirements. The number of private RCHDs that had joined VRS remained as six in February 2010. Ms LI was concerned that some private RCHDs would close down after the implementation of the licensing scheme for being unable to meet the licensing requirements. She urged the Administration to undertake to make necessary decanting arrangements for all residents of private RCHDs in the event that some private homes discontinued operation after the implementation of the licensing scheme.

18. SLW said that the Administration was fully aware of the concerns about the impact of the licensing scheme on the operation of private RCHDs and the residents. He stressed that the Administration would formulate suitable complementary measures in tandem with the introduction of the licensing system to encourage private RCHDs to upgrade their service standards to meet the licensing requirements. For instance, there would be a Financial Assistance Scheme to provide subsidies to private RCHD operators to carry out improvement works to satisfy the licensing standards and requirements. This apart, a grace period would be provided to allow RCHDs to put in place suitable arrangements for application for a licence after the passage of the Bill. As regards the decanting arrangements for residents of private RCHDs, SLW said that the Administration attached great importance to the well-being of RCHD residents. In addition to introducing various complementary measures for upgrading service standards of RCHDs, the Administration would assist affected residents of private RCHDs to move to other RCHDs as far as practicable if individual private RCHDs ceased to operate. DSW added that some private RCHDs had indicated their intention to join VRS and SWD would process these applications once received.

19. Mr LEE Cheuk-yan expressed concern that the standards set out in the draft Code of Practice were lower than the existing Code of Practice issued in 2002. This would depart from the objective of the legislative proposals to regulate RCHDs. While he understood the concern about the discontinuation of

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operation of some private RCHDs after the implementation of the licensing scheme for not being able to meet the licensing standards, the Administration should by no means lower the standards to facilitate compliance by RCHDs. Mr LEE pointed out that some private RCHD operators had indicated that upgrading service standards for the purpose of the legislation would result in fee increase. He asked about the impact of the licensing scheme on home fees of private RCHDs, and expressed concern that the increased home fees would be beyond the affordability of most RCHD residents as 90% of them were Comprehensive Social Security Assistance ("CSSA") recipients. In his view, the introduction of BPS was a viable solution to enhance the service quality of RCHDs and alleviate waitlisting situation for residential care places. However, the proposed number of BPS places was on the low side, and it would not be financially viable for private RCHDs operators to join the pilot scheme. The Administration should seriously consider increasing the number of BPS places to be purchased from each RCHD. Pointing out that the existing Code of Practice was issued in 2002, Mr LEE took the view that the RCHD operators should have ample time to carry out upgrading works to meet the minimum standard of services, if they so wished. Hence, the grace period of 18 months was too long.

20. SLW stressed that the Working Group to review the existing non-statutory Code of Practice had convened meetings and organised a number of consultation sessions to gauge the views of the rehabilitation sector and stakeholders, including parent groups and operators of private RCHDs and subvented RCHDs, in the course of reviewing the existing Code. For instance, the minimum area of floor space of 6.5 square metres per resident and staffing requirements in RCHDs were set out after having balanced the different views of the rehabilitation sector and stakeholders.

21. As regards the pilot BPS, SLW said that SWD would review and adjust the target groups and number of places to be bought under the pilot BPS where necessary, having regard to the response of service users, the number of new homes coming on stream, the quality of places to be provided by and the response of private RCHDs. Mid-term reviews would be conducted to keep track of progress and refine the operational details as appropriate. An overall review of the BPS would be conducted before its expiry to assess its long-term feasibility in terms of the contract price, home fees, the number of places to be bought as well as the overall service quality and performance of the operators of the private RCHDs. SLW added that the BPS homes had to meet higher standards than those set out in the draft Code of Practice.

22. Mr LEUNG Yiu-chung said that he could not support the legislative proposals if the standards set out in the licensing scheme were too low for quality services of private RCHDs. In his view, the Administration should allocate more resources to alleviate the waitlisting situation for subsidised residential care places and enhance the service quality of private RCHDs. Mr LEUNG further

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said that although the Administration had repeatedly advised that it had taken into account different views of the stakeholders, to his understanding, the Administration had declined some suggestions made by members of the Working Group, such as the inclusion of social workers in the staffing requirements, and provision of RCHDs specifically for PWDs aged below 18.

23. DSW reiterated that the requirements in the draft Code of Practice were set out having balanced the different views of the rehabilitation sector and stakeholders. In tandem with the legislative proposal, the Administration had formulated suitable complementary measures to encourage operators of private RCHDs to improve their service quality, increase the provision of subsidised residential care places, and help the market to develop more service options for PWDs. The Government would seek funding support from the Lotteries Fund for launching the pilot BPS. Should the review findings of the pilot BPS be encouraging, the Administration would consider financing the projects through recurrent funding after the four-year pilot period.

24. While supporting the legislative proposal to provide a statutory framework to regulate RCHDs, Mr CHEUNG Kwok-che considered that it was not appropriate to model on the outdated licensing requirements for ordinary RCHEs which were devised based on the elders' need for an ordinary care level in a decade ago, and set out the minimum licensing standards for RCHDs bearing in mind that PWDs required a higher level of intensive care. For example, it was not appropriate to set the minimum floor area of 6.5 square metres per resident across the board for all categories of RCHDs, as severely handicapped persons required more space for manoeuvring. He also cautioned that the floor area per resident of some private RCHDs was currently about 4 square metres, and hence some private RCHD residents would have to move out of the homes after the implementation of the licensing scheme.

25. In response to Mr CHEUNG Kwok-che's enquiry about the implementation details of one licence for one residential care home, DSW said that having regard to the policy of continuum of care, improved health services, and the increasing lifespan of the population of PWDs, some RCHDs would also be caught by the RCHE Ordinance. The Administration proposed, therefore, that one residential care home was to be covered only by a licence issued under either the RCHE Ordinance or the RCHD Ordinance (when enacted). If a residential care home fitted into the definitions of the home to be regulated as set out in both the existing RCHE Ordinance and the RCHD Ordinance (when enacted), the home operator would only need to indicate his intention to hold or apply for one licence under either of those Ordinances; and once a licence had been issued and remained in force, there was no need for the operator to apply for another licence under the other ordinance, unless the operator intended to switch over to provide the other type of service. DSW further said that although PWDs and the elderly had many similar residential care needs, they also had distinct

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care needs. To cater for the needs of these two types of service users and to provide better services, a residential care home should largely provide dedicated services to either PWDs or the elderly. It was under such principle that the Administration intended to discourage the operator of a residential care home from diversifying its services by serving both PWDs and the elderly at the same time, e.g. serving a significant proportion of PWDs in a RCHE, or vice versa.

26. Mr IP Wai-ming held the view that the crux of the matter was whether the Administration was committed to allocating more resources for increasing the supply of subsidised residential care services for PWDs. As evidenced by the repeated media reports about malpractices of private RCHEs, he cast doubt about the effectiveness of the legislative proposal in enhancing the service standards of RCHDs, if it was modelled on the RCHE Ordinance which was outdated and proven inadequate to monitor the service quality of private RCHEs.

27. SLW assured members that SWD would take appropriate follow-up actions against malpractices of RCHEs upon receipt of complaints. Regarding the resources allocated for residential care services for PWDs, SLW advised that the Government would provide an additional 939 places in the coming two years, including the setting up of two integrated rehabilitation services centres in Kwai Chung and Ho Man Tin in the coming year, providing a total of 490 residential places. This apart, about \$64 million would also be sought under the Lotteries Fund for implementing the pilot BPS. In tandem, to strengthen the community support for persons with severe disabilities, \$163 million would be sought under the Lotteries Fund for implementing a pilot scheme on home care services for persons with severe disabilities.

28. DSW advised that the statutory Code of Practice for RCHDs would specify detailed procedures, guidelines and standards for the operation, keeping, management and control of RCHDs for compliance by the licensees, such as the requirements for building and fire safety, infection control, etc. To allow time for individual RCHDs to meet the licensing standards, there would be a grace period for the RCHDs to undertake improvement measures upon the commencement of the proposed legislation.

29. Given that the net floor area per resident of most private RCHDs was around 4 square metres, Mr Frederick FUNG requested the Administration to provide information on the financial implications for carrying out upgrading works in a private RCHD so as to meet the floor area requirement of 6.5 square metres and 8 square metres. DSW agreed to provide the requested information after the meeting, if available.

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30. The Chairman said that as some residents of private RCHDs, especially children with disabilities, were accustomed to the existing living environment, it would give rise to emotional and behavioural problem if they were asked to

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move to another RCHDs because their current homes were to be closed down after the introduction of the licensing scheme. He urged the Administration to adopt a people oriented approach and provide every assistance to the affected residents in making the decanting arrangements.

31. In the light of wide concerns about the legislative proposals, the Chairman suggested that a special meeting be held on 24 April 2010 at 9:00 am to receive views from deputations on the proposals. Members agreed.

V. Additional Provision for Social Security Recipients

[LC Paper Nos. CB(2)1195/09-10(05) to (06)]

32. Deputy Secretary for Labour and Welfare (Welfare)2 ("DS(W)2") briefed members on the proposal to provide recipients of CSSA and Social Security Allowance ("SSA"), (comprising Old Age Allowance ("OAA") and Disability Allowance ("DA")) with an additional one-month payment, as announced in the Financial Secretary's Budget Speech for the 2010-2011 financial year delivered on 24 February 2010. It was estimated that about 1.1 million recipients would benefit from the proposal and the estimated financial implication was \$1.9 billion. DS(W)2 added that the Administration aimed to effect the additional payment some time around July 2010 after obtaining the funding approval from the Finance Committee.

33. Expressing support for the funding proposal, Mr TAM Yiu-chung asked whether the Administration could advance the timing for disbursing the payment. DS(W)2 responded and Deputy Director of Social Welfare (Administration) ("DDSW(A)") supplemented that taking into account the lead time for making the necessary adjustments to SWD's computer system and updating the lists of eligible recipients, the earliest date for effecting the one-off payment would be about one month after obtaining the approval of the Finance Committee, i.e. some time around July 2010.

34. While raising no objection to providing additional payment to the CSSA and SSA recipients, Mr LEE Cheuk-yan queried the rationale for granting the one-off payment to alleviate their financial burden. In his view, these recipients were not under the direct hit of the financial tsunami. Pointing out that the Administration had provided recipients of CSSA and SSA with one-off relief measures consecutively in the past three years, Mr LEE took the view that the Administration should address the crux of the problem and consider adjusting upwards the standard payment rates of CSSA and SSA rates if it was proven that the current payment levels were inadequate for the recipients even at times of economic downturn.

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35. DS(W)2 said that the Financial Secretary had proposed the additional one-month payment as a one-off relief measure, given that the impact of the financial tsunami was not yet over and that some people had yet to benefit from the economic recovery. DS(W)2 further said that the decision to provide additional one-off payments in the past years was based on the special circumstances on each occasion. This apart, CSSA standard payment rates and SSA rates were reviewed annually according to the established adjustment mechanism, i.e. the movement of the Social Security Assistance Index of Prices ("SSAIP"). DS(W)2 added that the monthly payment rates of OAA had been increased to \$1,000 in 2009.

36. Mr CHEUNG Kwok-che said that OAA was payable to eligible elders irrespective of the economic situation, and therefore the provision of extra OAA should not be regarded as financial assistance to alleviate the burden of the recipients. However, as a matter of fact, some poor elderly were merely relying on OAA to make ends meet. In the circumstances, Mr CHEUNG considered that the Administration should consider adjusting upwards the monthly payment rate of OAA and stepping up promotional publicity to encourage those in need to apply for CSSA. To provide genuine assistance for the needy, he held the view that the Administration should conduct a comprehensive review of the CSSA Scheme on how to improve the Scheme.

37. DS(W)2 said that OAA was a non-contributory cash allowance for eligible elders aged 65 or above to meet their special needs arising from old age, whereas CSSA, which was also non-contributory, was to provide a safety net of last resort for those in need so that they could meet their basic needs. DDSW(A) added that the CSSA standard rates for elderly recipients were higher than that for able-bodied recipients. This apart, elderly were eligible for special grants under the CSSA Scheme to meet their specific needs, including grants to cover the costs of glasses, dentures, etc.

38. Dr Mr PAN Pey-chyou said that as a result of the appreciation of Renminbi exchange rates, the prices of necessities such as food, clothing, travelling and public utilities had risen sharply. He asked about the Administration's plan in place to ease the impact of rising prices on CSSA and SSA recipients.

39. DS(W)2 said that while the standard payment rates of CSSA and SSA would continue to be reviewed annually in accordance with the established adjustment mechanism, the Administration would seek the Finance Committee's approval to adjust the standard payment rates ahead of the annual adjustment cycle if movements of the SSAIP and other economic indicators pointed to persistently high inflation. She drew members' attention to such an upward adjustment of the standard payment rates ahead of the normal cycle, when the rates were raised by 4.4% with effect from 1 August 2008 to ease the impact of

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inflation on CSSA recipients. DS(W)2 further said that having regard to the impact of seasonal factors on the prices of consumer goods, the 12-month moving average SSAIP would form a better and objective basis for adjusting CSSA standard payment rates and SSA rates.

40. Mr LEUNG Yiu-chung shared Dr PAN Pey-chyou's concern about the impact of rising prices on CSSA households. Mr LEUNG said that the provision of one-off additional CSSA and SSA payment would help the recipients to catch up past inflation, but not to ease the impact of the rising prices at times of high inflation. He was concerned that the CSSA recipients could not catch up with the inflation consequent upon the recent economic recovery. He took the view that the Administration should review whether the one-off relief measure was adequate for alleviating the burden of the CSSA and SSA recipients.

41. DS(W)2 said that in his 2010-2011 Budget Speech, the Financial Secretary announced a series of one-off relief measures, including the provision of an extra allowance to CSSA recipients equal to one month of the standard rates of CSSA, and an extra allowance to OAA and DA recipients equal to one month of the allowances. While Hong Kong was now in the early stage of recovery, the impact of the financial tsunami on many people was not yet over and some of them had yet to enjoy the benefit of the recovery. The one-off measure was proposed in consideration of the profound impact of the financial tsunami and the fact that many at the grassroots level, including CSSA households and SSA recipients, had also been directly and indirectly affected. DS(W)2 further said that the existing annual adjustment mechanism for the standard payment rates of CSSA and SSA had been working effectively. The Administration would monitor closely movements of the SSAIP and make reference to other economic indicators, and consider seeking the Finance Committee's approval for adjusting the standard payment rates for inflation ahead of the annual adjustment cycle where necessary.

42. The Chairman considered that the rationale for providing an extra allowance for recipients of CSSA and SSA on the ground of easing the impact of financial tsunami was unsound. However, the need to provide additional payment to the CSSA and SSA recipients had in fact demonstrated that the existing payment levels were inadequate for the recipients to meet the present day basic needs items. Instead of providing one-off additional payment, the Administration should adjust upwards the payment levels. To better understand in what aspects had the extra allowance helped relieve the burden of the recipients, the Chairman asked whether the Administration had studied how the CSSA and SSA recipients had spent the additional payments on the previous occasions.

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43. DS(W)2 said that as the additional CSSA and SSA payments were cash assistance, the recipients were free to deploy it as they saw fit. DS(W)2 further said that the Administration had reviewed from time to time financial assistance for CSSA and SSA recipients. Notably, a monthly transport supplement was provided to DA recipients aged between 12 and 64, and CSSA recipients in the same age group with 100% disability or in need of constant attendance with effect from July 2008. Having regard to the special needs of CSSA recipients who were old, disabled or medically certified to be in ill health, the Administration also extended in 2008 the coverage of their dental treatment grant.

44. The Chairman said that while members expressed support for the funding proposal, they urged the Administration to conduct a comprehensive review of the adequacy of CSSA standard payment rates expeditiously.

VI. Proposed Injection of Further Funding into the Partnership Fund for the Disadvantaged

[LC Paper Nos. CB(2)1195/09-10(07) to (08)]

45. Deputy Director of Social Welfare (Services) ("DDSW(S)") briefed members on the updated progress of the Partnership Fund for the Disadvantaged ("PFD"). Launched in March 2005, SWD had approved four rounds of applications, with the fifth round being processed by SWD, involving a total of 288 welfare projects implemented by 98 non-governmental organisations ("NGOs"). These projects attracted donation from 486 business partners, benefiting over 650 000 disadvantaged persons and achieving the objective of promoting the development of tripartite social partnership. DDSW(S) said that of the \$200 million Fund, the total number of projects approved in the five rounds of applications would involve a total PFD grant of around \$140 million. The Administration envisaged that the Fund would be used up if one to two further rounds were to be launched, and proposed to inject \$200 million into PFD as announced in the 2010-2011 Budget. It was proposed that the \$200 million new injection would be fully allocated to provide grants for NGOs to implement the welfare projects. DDSW(S) further said that the Administration planned to seek the approval from the Finance Committee for an increase in the commitment for PFD from \$200 million to \$400 million before the end of the 2009-2010 session.

46. Noting that more than 280 welfare projects had been approved under PFD, Ms LI Fung-ying asked about the respective numbers of projects that had been completed and aborted. Ms LI noted with concern that almost one half of the 98 NGOs approved for PFD grants had launched more than one project. In her view, the Administration should adopt further facilitating measures to encourage more NGOs to apply for the Fund and to take part in tripartite partnerships.

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47. DDSW(S) advised that as each PFD project may last one to two years, only around a quarter of the approved PFD projects had been completed. It was observed that the PFD projects were generally implemented according to the project proposals, and the outcomes of the projects were considered satisfactory. DDSW(S) said that the Administration was aware that some NGOs had been approved for implementing more than one project. This was because since the third round of PFD applications, facilitating measures such as allowing each NGO to submit more applications were introduced to encourage applications. These measures offered NGOs greater incentives to seek larger amounts of sponsorships from more business partners, so that more projects could be launched to help the disadvantaged. DDSW(S) further said that drawing reference from the recommendations of the Advisory Committee on the Partnership Fund for the Disadvantaged ("the Advisory Committee"), SWD would reduce the maximum number of applications per NGO from 10 to five under the forthcoming sixth round of application with a view to encouraging more NGOs to take part in tripartite partnerships.

48. Ms LI Fung-ying further asked whether an evaluation study would be conducted to identify the critical success factors and hurdles for NGOs in implementing the projects. DDSW(S) responded that SWD had commissioned the Hong Kong Polytechnic University to conduct an "Evaluation Study on Promoting and Sustaining Partnership between NGOs and the Business Corporations" based on the review of 43 PFD projects approved in the first and second rounds of applications. The study concluded that NGOs, the business partners and the project participants in general found the outcomes of PFD projects satisfactory. More than 90% participating NGOs agreed that the Fund provided them with additional financial resources to help the disadvantaged. Strategic partnerships between the business partners and the NGOs were formed in more than 60% of the projects under study, and these partnerships were likely to sustain. In addition, the study made recommendations on how the formation and maintenance of tripartite partnerships could be facilitated. DDSW(S) added that participating NGOs were required to submit reports to the Government upon completion of the PFD projects. The Administration would consider uploading the relevant information of these reports onto the PFD webpage for experience sharing.

[To allow sufficient time for discussion, the Chairman suggested and members agreed to extend the meeting for 10 minutes to 12:55 pm.]

49. Mr IP Wai-ming expressed concern that only one-half of the subvented NGOs were involved in the approved projects. In his view, as small NGOs did not have established connections with the business sector, they would be in a disadvantaged position to secure contributions and benefit from PFD. Specific facilitating measures to assist small and medium-sized NGOs to apply for the

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Fund should be drawn up. Mr IP also requested the Administration to provide a breakdown of approved PFD projects according to the nature of the projects, the target beneficiaries and the amount of grants approved.

50. DDSW(S) said that of the 98 participating NGOs, 64 were subvented NGOs and 34 were non-subvented welfare organisations. This showed that the Fund was not necessarily confined to subvented NGO. To his knowledge, only a very small proportion of applications were not approved. As regards the nature of the projects, DDSW(S) advised that the 288 approved projects offered a wide range of services for the disadvantaged, including projects specifically for children and youth development (48), harmonious families (138), welfare of women (20), new arrivals in Hong Kong (68), elders (61); ethnic minorities (13), disabled persons (81), and the unemployed, homeless people, discharged prisoners and drug addicts (73); with many projects serving more than one target group. The Administration would provide the information requested by Mr IP Wai-ming after the meeting.

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51. Mr Paul CHAN expressed support for the proposed injection of further funding into PFD in a bid to encouraging tripartite partnerships to help the disadvantaged. While raising no objection to encouraging more NGOs to take part in PDF projects, Mr CHAN expressed reservation with the arrangement of reducing the maximum number of applications per NGO from 10 to five. In his view, the current arrangement of allowing each NGO to submit a maximum of 10 applications could facilitate NGOs to secure large sponsorships and forming sustainable partnerships with the business partners. More importantly, this would facilitate launching more projects to help the disadvantaged. Given that the primary objective of PFD was to promote the development of tripartite partnership among the Government, business sector and welfare NGOs in working for the benefit of the disadvantaged groups, he urged the Administration to reconsider the arrangement of limiting each NGO to submit a maximum of five applications under the sixth round of application.

52. Regarding the maximum number of applications per NGO, DDSW(S) said that to encourage applications, facilitating measures such as allowing each NGO to submit more applications were introduced. The respective numbers of PFD projects approved in previous five rounds of applications were 29, 14, 54, 80 and 111. Having regard to the increasing number of applications, the Administration considered that the maximum number of applications per NGO could be reduced from ten to five for the sixth round of application in order to encourage more NGOs to take part in tripartite partnerships. Assistant Director of Social Welfare (Youth and Corrections) ("ADSW") added that most NGOs had launched three to five PDF projects at the same time and only one to two NGOs had launched more than 10 projects under the fifth round of PFD. DDSW(S) would convey Mr CHAN's view to the Advisory Committee for consideration.

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53. Mr CHEUNG Kwok-che said that based on the available information, the grant for each PFD project was on average \$300,000. Assuming that an equal amount of matching grants was obtained from the business partners, the budget for a PFD project would be in the region of \$600,000. To facilitate better understanding of the project size, Mr CHEUNG sought information on the number of projects that were allocated with grant exceeding \$1 million, and the minimum amount of grant per project. Mr TAM Yiu-chung also asked about the respective numbers of PFD projects which were allocated with a grant of below \$500,000.

54. DDSW(S) said that a PFD grant of below \$1 million had been allocated to 269 projects. PFD grants between \$1 million to \$1.99 million had been allocated to 14 projects, and five projects had been allocated with a grant of more than \$2 million. The total amount of donations (including both cash donations and gift in kind) from the business sector for PFD amounted to \$109.21 million. DDSW(S) stressed that the support of the business partners had contributed to the success of PFD not only in terms of the amount of donations but also demonstration of the social responsibility in helping the disadvantaged. DDSW(S) agreed to provide the details after the meeting.

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55. Mr TAM Yiu-chung asked about the value of the donations in kind by the business sector and the major expenditure items of the PFD grants. In response, ADSW advised that about 40% to 50% of the PFD was deployed for recruiting staff to implement the projects, whereas the remainder was largely used for organising activities and functions. He added that in view of the wide variety of in kind donations from the business partners, it was difficult to quantify such donations.

56. In concluding, the Chairman said that the Panel in general supported the proposed injection of further funding into PFD.

VII. Any other business

57. There being no other business, the meeting ended at 12:55 pm.