

立法會
Legislative Council

LC Paper No. CB(2)1724/14-15
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 13 April 2015, at 10:45 am
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon CHEUNG Kwok-che (Chairman)
Hon CHAN Yuen-han, SBS, JP (Deputy Chairman)
Hon TAM Yiu-chung, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Frankie YICK Chi-ming
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
- Members absent** : Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon Ronny TONG Ka-wah, SC
Dr Hon LEUNG Ka-lau

Public Officers : Item III
attending

Miss Annie TAM, JP
Permanent Secretary for Labour and Welfare
Labour and Welfare Bureau

Miss Shea Wing-man
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1
Labour and Welfare Bureau

Mr LAM Ka-tai, JP
Deputy Director of Social Welfare (Services)
Social Welfare Department

Mr KOK Che-leung
Assistant Director of Social Welfare (Subventions)
Social Welfare Department

Item IV

Mr Matthew CHEUNG, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Miss Stella CHANG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 4
Labour and Welfare Bureau

Mr FUNG Pak-yan, BBS, JP
Deputy Director of Social Welfare (Administration)
Social Welfare Department

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

Clerk in : Mr Colin CHUI
attendance : Chief Council Secretary (2) 4

Staff in attendance : Ms Catherina YU
Senior Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Information paper(s) issued since the last meeting
[LC Paper No. CB(2)1226/14-15(01)]

Members noted the letter dated 10 April 2015 from the Social Welfare Organizations Employees Union requesting the Panel to discuss issues in relation to the monitoring of the use of subvention designated for salary adjustment for staff members of social welfare organizations receiving Lump Sum Grant ("LSG") Subvention (LC Paper No. CB(2)1226/14-15(01)) had been issued since the last meeting.

II. Items for discussion at the next meeting
[LC Paper Nos. CB(2)1168/14-15(01) to (02)]

2. Dr Fernando CHEUNG said that the salary adjustment arrangements for staff in non-governmental organizations ("NGOs") receiving LSG and the use of subvention designated for salary adjustment by these NGOs had all along been a concern. He considered it necessary to discuss the subject matter urgently.

3. Mr TANG Ka-piu said that the Administration had undertaken to review Old Age Living Allowance ("OALA") one year after its implementation. He suggested inviting the Administration to brief members on whether it would consider relaxing the eligibility criteria for OALA and allowing eligible elderly persons residing on the Mainland to receive OALA. The Chairman said that in response to the Secretariat's earlier enquiry, the Administration advised that it would brief members on issues in relation to OALA in due course. The Secretariat would follow up with the Administration on the timing of discussing the subject matter.

4. Referring to the item "Review of the one-year-continuous-residence requirement under the Social Security Allowance ("SSA") Scheme" in the Panel's list of outstanding items for discussion, Mr TANG Ka-piu said that

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according to the Administration's recent figures, there was not notable increase in the number of applications for Comprehensive Social Security Assistance ("CSSA") involving new-arrivals since the handing down of the judgment by the Court of Final Appeal on the residence requirement for CSSA. He was of the view that discussion of the subject matter by the Panel would help give a message to the community that new-arrivals had not abused the CSSA Scheme. The Chairman was of the view that the Administration's provision of a paper in this regard would suffice.

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5. The Chairman said that members had given views on setting up social welfare facilities in public housing premises at previous meetings. He suggested discussing the subject matter at the next meeting and inviting representatives from the Transport and Housing Bureau and the Housing Department to join the discussion.

6. Members noted that the Administration had proposed to discuss "Setting up a new contract residential care home ("RCH") for the elderly at Ancillary Facilities Block of Choi Yuen Road public rental housing ("PRH") development, Sheung Shui" at the next regular meeting scheduled for 11 May 2015. Members agreed that the Panel should discuss at the next meeting the item proposed by the Administration and the following items –

- (a) Salary adjustment arrangements for staff in NGO receiving LSG Subvention; and
- (b) Setting up social welfare facilities (excluding welfare blocks) in public housing premises.

III. Progress of implementation of the Special Scheme on Privately Owned Sites for Welfare Uses

[LC Paper Nos. CB(2)1168/14-15(03) to (04)]

7. At the invitation of the Chairman, Permanent Secretary for Labour and Welfare ("PS(LW)") briefed members on the progress of implementing the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Scheme").

Distribution of service places under the Special Scheme

8. Noting that no additional service places for the elderly and persons with disabilities ("PWDs") would be provided in Central and Western District and no additional places for residential care services for the elderly

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would be provided in Yau Tsim Mong District under the Special Scheme, Mr POON Siu-ping enquired about the basis of deciding the distribution and number of service places under the Special Scheme.

9. PS(LW) responded that to join the Special Scheme, a welfare organization should provide on a site under its ownership a net increase in the provision of one or more than one service on the list of facilities set out by the Administration through expansion, redevelopment or new development and the buildings on the site should normally be no less than 25 years old. The distribution of service places under the Special Scheme was therefore subject to the locations of sites owned by applicant organizations. The Administration would endeavour to look for sites in those districts where there was a service demand but were not covered by the Special Scheme so as to bridge the service gap.

10. Mr CHAN Chi-chuen wondered why there was only one application for the Special Scheme in Sha Tin and asked whether the Administration had proactively identified sites which were owned by welfare organizations but were under-utilized, and encouraged more welfare organizations to join the Special Scheme. Having regard to the great demand for elderly services in Wong Tai Sin, the Deputy Chairman asked whether the projects under the Special Scheme in Wong Tai Sin could provide more elderly service places.

11. PS(LW) responded that the number of applications for the Special Scheme in a district would depend on those factors such as whether there were sites owned by welfare organizations, the age of the buildings on the sites, etc. She and Deputy Director of Social Welfare (Services) ("DDSW(S)") had contacted some welfare organizations in Sha Tin which were providing elderly services. One of these organizations had already started renovation or redevelopment works for its buildings before the launch of the Special Scheme and so it did not join the Special Scheme. Although some welfare organizations had not participated in the Special Scheme, the Administration would assist them in their renovation or redevelopment works if necessary outside the context of the Special Scheme. The Social Welfare Department ("SWD") would also look for sites proactively in different districts for welfare facilities and had already earmarked sites in 17 development projects for the construction of new contract residential care homes for the elderly ("RCHEs")/contract RCHEs with Day Care Units for the Elderly/new Day Care Centres for the Elderly. Of these 17 projects, three projects were in Sha Tin.

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12. At Mr POON Siu-ping's request, PS(LW) undertook to provide a breakdown by district of the number of places to be provided in each of the aforesaid 17 development projects and of those to be provided under the Special Scheme.

13. In response to the Deputy Chairman's enquiry about the reasons for excluding buildings which were less than 25 years old from the Special Scheme, PS(LW) said that having regard to the general life-span of buildings, the Administration considered such a requirement realistic. That said, the Administration would consider giving discretionary approval for demolishing buildings which were less than 25 years old under special circumstances.

14. Dr Fernando CHEUNG said that some of the applicant organizations obtained the land because of their charitable status but the title of the Special Scheme gave an impression that the land concerned was donated by private owners for the projects. As the charitable status of these organizations was recognized under an established mechanism and they were accountable to the public, their land should not be regarded as privately owned sites. PS(LW) responded that the sites of applicant organizations were usually obtained through Private Treaty Grant except one which was donated by a private land owner. The term "privately owned sites" was used to distinguish government sites from non-government sites.

Subvented and self-financing services under the Special Scheme

15. Mr TANG Ka-piu said that the disadvantaged would not be able to afford self-financing welfare services. Noting that the project of expansion of Haven of Hope Woo Ping Care and Attention ("C&A") Home at Tseung Kwan O ("the Tseung Kwan O project") (i.e. one of the five projects under the Special Scheme which had entered the implementation stage) provided self-financing C&A Home places only, he expressed concern about the ratio of subvented to self-financing places to be provided under the Special Scheme. He sought information on the number of subvented places for elderly services and rehabilitation services for small children to be provided under the five projects of the Special Scheme which had entered the implementation stage.

16. PS(LW) explained that, for the subvented and self-financing services proposed for the projects under the Special Scheme, the Administration adhered to the established rules and procedures for the projects funded by the Lotteries Fund ("LF"). The Administration would also liaise with the

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applicant organizations regarding the proportion of subvented services and self-financing services to be provided under their projects. The Administration had not set new rules with respect to the proportion of subvented and self-financing service places for the projects under the Special Scheme. She said that the number of welfare service places set out in Annex 3 to the Administration's paper (LC Paper No. CB(2)1168/14-15(03)) were additional places proposed by applicant organizations on top of their existing service places.

17. In response to Mr TANG Ka-piu's enquiry about the existing number of subvented and self-financing service places provided in Haven of Hope Woo Ping C&A Home, DDSW(S) said that the C&A Home had been in operation since 1999 and was providing 248 places operated on a self-financing basis. Given the existing provision of sole self-financing services in the C&A Home, all the 87 additional places under the Special Scheme would be operated on a self-financing basis too.

18. Mr TANG Ka-piu opined that as projects under the Special Scheme were funded by LF, they should provide a certain number of subvented service places. He queried why no subvented service places would be provided under the Tseung Kwan O project. DDSW(S) responded that most of the projects under the Special Scheme would provide both subvented and self-financing services. Under the Tseung Kwan O project, the C&A Home would be expanded by converting a structure for the provision of an additional 87 places. As the entire C&A Home was operated on a self-financing basis, the operator hoped to adopt its existing mode of service for the additional places under the Special Scheme.

19. The Chairman said that as applicant organizations had the autonomy to dispose of their self-financing service places, they should not be allowed to only provide self-financing services for LF-funded projects. He called on the Administration to adopt a 6:4 or 8:2 ratio for subvented and self-financing service places under the Tseung Kwan O project and revert to the Panel in this regard.

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20. Dr Fernando CHEUNG said that while it was a trend to build small RCHs in many countries, the Administration was still providing large-sized RCHs in recent years. The Administration should allow applicant organizations to be innovative in the mode of services to optimize their sites. They should be encouraged to build small RCHs to facilitate residents to integrate with the community and provide RCHs which were dedicated for special groups such as dementia patients. Given that projects under the

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Special Scheme were funded by LF, the Administration should ensure that public money was spent in public interest.

21. PS(LW) responded that LF would provide assistance, if necessary, for redevelopment or renovation of the sites owned by welfare organizations according to the established rules and procedures. Some of the rules and procedures had been relaxed for projects under the Special Scheme. While applicant organizations were welcome to be innovative, they should adopt the schedules of accommodation ("SoAs") for the welfare facilities to be provided in the project sites concerned. In the light of applicant organizations' feedback on the implementation details and other relevant considerations, the Administration was reviewing the relevant SoAs.

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22. In response to Dr Fernando CHEUNG's request for the rules and procedures for the provision of subvented and self-financing services and the proportion of such services to be provided under the Special Scheme, PS(LW) said that as most of the proposals were at different planning stages, the proportion of services had not yet been finalized. The Administration would provide information on the number of subvented and self-financing places to be provided under the five projects which had entered the implementation stage. Considering that the Administration should have an idea of the service places to be provided under the Special Scheme, Mr Alan LEONG said that the Administration should provide information on the proportion of services. Mr LEUNG Kwok-hung said that given that the projects under the Special Scheme were funded by LF, they should provide predominately subvented services. He reiterated the request of Dr CHEUNG and Mr LEONG for information on the proportion of services.

23. PS(LW) responded that in discussing the proportion of subvented and self-financing services with individual applicant organizations, reference would be made to the existing ratio, say, of 6:4 for contract homes. There were cases in which the relevant ratio had been increased to suit the special circumstances surrounding those cases. Mr LEUNG Kwok-hung said that in view of the great demand for subvented welfare services, the Administration should increase the relevant ratio to 8:2 for projects under the Special Scheme.

Manpower planning for the Special Scheme

24. Mr TANG Ka-piu said that given that the resident-to-staff ratio in subvented RCHEs was around 2:1, some 4 000 care workers would be required to cater for the provision of additional elderly services under the Special Scheme. He expressed concern about whether there would be

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sufficient manpower supply for the additional services.

25. PS(LW) responded that in planning for service development, applicant organizations should make provision for the manpower requirements arising from the additional services. Applicant organizations which wished to set up staff training facilities in their development projects could make funding application under LF for the capital and fitting-out costs of the training facilities, provided that the gross floor area ("GFA") of the training facilities concerned, together with that of other welfare-related ancillary facilities did not exceed 10% of the total GFA of the building. The Administration would make suitable arrangements to support the manpower planning by individual applicant organizations and reflect to the Education Bureau and universities on the provision of training programmes if necessary. She further said that the "first-hire-then-train" pilot project had been introduced to attract young people to join the elderly care services. In view of positive response to the pilot project, 1 000 training places would be provided in the coming few years to encourage young people to join the elderly and rehabilitation care services.

26. In response to Mr POON Siu-ping's enquiry about the basis of setting the maximum GFA for non-welfare facilities (i.e. training and other ancillary facilities) at 10% of the total GFA of the building, PS(LW) said that the proposed percentage would provide some flexibility for NGOs to include in their projects the provision of necessary welfare related facilities without affecting too much the provision of "mainstream" welfare facilities. It was a new initiative proposed by the Administration under the Special Scheme and was generally welcomed by applicant organizations.

Monitoring of services provided under the Special Scheme

27. Dr Fernando CHEUNG said that a long-term monitoring mechanism was essential to ensure that services provided under the Special Scheme would adhere to their original objectives over time and meet the changing needs of the community. Mr Alan LEONG expressed concern about whether and how the Administration would be able to effectively monitor and ensure that applicant organizations would comply with the agreement they reached with the Administration, including the types, scale and duration of the services. The Deputy Chairman was of the view that a system should be in place to monitor services provided under the Special Scheme.

28. PS(LW) responded that the projects under the Special Scheme would be funded by LF and would be subject to the established monitoring mechanism for LF-funded projects. For projects requiring planning

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permission, the Planning Department ("PlanD") would provide applicant organizations with assistance in seeking the requisite permissions if deemed appropriate. If the services to be provided at a site were governed by the land lease concerned, an applicant organization might need to apply to the Lands Department ("LandsD") for land lease modification if it intended to provide a type of service which was not prescribed in the land lease. SWD would coordinate with PlanD and LandsD in this regard.

29. PS(LW) further said that according to the established requirements for LF grants, the welfare facilities involved in LF applications under the Special Scheme, including the subsidized and self-financing welfare service portions, had to be agreed by SWD. SWD might consider exercising its discretion to waive certain requirements in respect of self-financing services under the Special Scheme as stipulated in paragraph (g) of Annex 1 to the Administration's paper.

Implementation of the Special Scheme

30. In response to Mr CHAN Chi-chuen's enquiry about whether the Administration would continue to accept applications for the Special Scheme, PS(LW) said that the closing date of application had been set for 18 November 2013.

31. Mr CHAN Han-pan said that although the Special Scheme was introduced in 2013, only five projects had entered the implementation stage so far. He enquired about the reasons for the slow progress and whether the Administration had followed up the progress with individual applicant organizations apart from organizing information exchange sessions.

32. PS(LW) responded that the time taken for completing the preparatory work for the aforesaid five projects was shorter than expected. In addition to the information exchange sessions for sharing the common concerns of applicant organizations, various bureaux and government departments, e.g. the Policy and Project Co-ordination Unit ("PPCU") under the Chief Secretary for Administration's Office and Labour and Welfare Bureau ("LWB"), etc. would provide targeted assistance for individual applicant organizations.

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33. Mr TANG Ka-piu requested the Administration to provide a paper to update the Panel every six months on the progress of the projects and the proportion of subvented to self-financing service places under the Special Scheme.

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34. The Chairman said that as most of the people who were in need of welfare services were waiting for subsidized services, concern was raised that the Special Scheme would not help shorten the waiting time for subsidized welfare services if its projects were dominated by self-financing services. To facilitate members' understanding of how well the Special Scheme could meet the service demand, he requested the Administration to provide, in table form, the following information –

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- (a) the numbers of subvented and self-financing places to be provided by each of the welfare facilities at each of the sites of –
 - (i) the five projects under the Special Scheme (which had entered the implementation stage) upon their completion; and
 - (ii) the remaining 58 projects under the Special Scheme upon their completion;
- (b) the total number of waitlistees for elderly services and rehabilitation services respectively; and
- (c) an estimate of the numbers of additional subvented and self-financing service places to be provided under and outside the Special Scheme respectively in the next 10 years.

35. PS(LW) responded that the Administration would provide the required information to members. The information would also be provided to the Elderly Commission for reference in its formulation of the Elderly Services Programme Plan and to the Rehabilitation Advisory Committee for its consideration of rehabilitation services.

36. Given that the construction costs of the projects under the Special Scheme might increase over time, the Chairman said that the Administration should consider conducting periodic assessments of whether additional funds would be required to meet the possible increase in construction costs.

Professional and technical support for applicant organizations

37. The Chairman enquired about whether the Administration would deploy dedicated or additional staff to assist applicant organizations which did not have the expertise to implement their projects. PS(LW) responded that PPCU of the Chief Secretary for Administration's Office would provide consultation and co-ordination services for applicant organizations. A

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Principal Assistant Secretary for Labour and Welfare had been assigned to oversee the progress of the Special Scheme and additional technical staff for the Special Scheme had been deployed to SWD in 2014 and 2015.

38. Given the large number of projects and the extensive land-related rules and procedures under the Special Scheme, the Deputy Chairman expressed concern about the inadequacy of the technical and professional support provided by the Administration.

39. PS(LW) responded that LWB had discussed the projects under the Special Scheme with PlanD, LandsD and the Buildings Department ("BD") and these departments had provided their views on each and every project to applicant organizations. The Administration would give suggestions to application organizations or assist them in preparing applications for outline zoning plan amendment, planning permission or modification of lease conditions, if deemed appropriate and necessary. Information exchange sessions were also arranged to address the concerns of applicant organizations. Most applicant organizations considered the Administration's support useful.

40. In response to the Deputy Chairman's view on setting up a dedicated team to provide technical and professional support for applicant organizations, PS(LW) said that PPCU of the Chief Secretary for Administration's Office, which comprised professional staff, would dedicate its efforts to helping applicant organizations. Meetings involving representatives from PPCU, LWB, LandsD, PlanD and BD had been held to handle requests from applicant organizations. She would continue to be personally involved in respect of those complicated projects, particularly those requiring liaison with other policy bureaux.

41. Expressing concern that many buildings which were constructed some 20 years ago contained asbestos, Mr TANG Ka-piu enquired about whether any buildings owned by applicant organizations contained asbestos. PS(LW) responded that applicant organizations were required to conduct technical feasibility studies for their projects and funds would be provided by SWD under LF for them to study building-related issues if deemed necessary and appropriate. The Administration would take into account cases in which asbestos was found in estimating the construction costs of the projects concerned.

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42. Dr Fernando CHEUNG said that services to be provided by the

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Special Scheme should be dominated by subvented ones and supplemented by self-financing ones. Otherwise, public money would not be used for helping the most needy but those who could afford self-financing services. He said that the fees of self-financing service places could vary greatly. While the welfare organizations which could secure donations would be able to charge a lower fee for their self-financing services, the fees for self-financing services of many welfare organizations could be very high. In his view, publicly-funded welfare facilities should target at the needy groups and the ratio of subvented to self-financing services should be changed to 8:2. In this connection, he moved the following motion –

"本委員會支持以公帑資助「私人土地作福利用途特別計劃」，以及早發展有迫切需要的服務。本委員會呼籲，此等服務應以公共資助服務為本，自負盈虧服務為副，其比例應以8對2為基準，以確保公共資源一視同仁地運用於有需要的羣體，而非偏重有能力付費者。"

(Translation)

"That this Panel supports the use of public funding for the Special Scheme on Privately Owned Sites for Welfare Uses with a view to developing urgently needed services early, and this Panel urges that such services should be dominated by publicly funded ones and supplemented by self-financing ones, with a ratio of eight to two as the benchmark, so as to ensure that public resources are put to use for needy groups in an equitable manner, rather than placing more emphasis on those who can afford the charges."

43. Expressing support for the motion, Mr LEUNG Kwok-hung said that the Administration should take steps to ensure that applicant organizations would strictly comply with the relevant ratio to prevent them from making use of the public-funded facilities to make profits.

44. PS(LW) responded that applicant organizations should satisfy SWD that they were bona-fide non-profit making organizations which had direct experience in running related welfare services with a good record of corporate governance.

45. The Chairman put the motion to vote. He said that while two members abstained from voting on the motion, the other members present were in favour of the motion. He declared that the motion was carried.

IV. Additional provision for social security recipients

[LC Paper Nos. CB(2)1168/14-15(05) to (06)]

(At 12:08 pm, the Deputy Chairman took the chair.)

46. At the invitation of the Deputy Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the Administration's proposal to provide an extra payment for recipients of CSSA, Old Age Allowance (including the Guangdong Scheme), OALA and Disability Allowance ("DA").

47. The Deputy Chairman drew members' attention to Rule 83A of the Rules of Procedure regarding personal pecuniary interest to be disclosed. She reminded members to declare interests, if any, in the matter under discussion.

Policies on helping the disadvantaged

48. While supporting the Administration's proposal to provide social security recipients with an extra payment, Mr Frederick FUNG said that the implementation of relief measures was a result of policy mistakes. He expressed dissatisfaction about the Financial Secretary ("FS")'s asking the pan-democratic Members not to advocate the introduction of relief measures on the one hand but implementing these measures consecutively for several years on the other hand. He said that the waiting time for RCHs for the elderly and PWDs was unreasonably long. Also, many CSSA households who were living in rented private housing were paying rents which had exceeded the maximum rent allowance ("MRA") under the CSSA Scheme because the rate of increase in MRA could not keep up with the rapid rising rental of private housing. Instead of implementing one-off relief measures, the Administration should make use of its huge fiscal surplus to strengthen the support for the needy groups and provide them with long-term assistance, e.g. to increase the supply of RCHs for the elderly and PWDs and review MRA, etc.

49. SLW responded that the Administration was committed to and had put a lot of efforts in alleviating poverty. Following the approval of the Finance Committee ("FC"), the Administration had transferred \$10 billion into LF in 2013 for the provision of welfare facilities, including providing additional residential care places for the elderly, through the feasible projects under the Special Scheme. It had also earmarked \$50 billion for providing better retirement protection for the elderly persons in need. There were notable increases in MRA under the CSSA Scheme in the past and MRA was

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increased by 6.7 % in February 2015. The Community Care Fund ("CCF") had also provided a one-off subsidy for CSSA recipients living in rented private housing. Mr Frederick FUNG reiterated his view that relief measures could not solve the financial problems of the grassroots.

50. Dr Fernando CHEUNG said that it was the Government's responsibility to make good use of its fiscal surplus to strengthen the provision of public services. While supporting the provision of financial assistance for the disadvantaged, he took the view that there were problems in the way relief measures were implemented. He explained that FS had proposed to spend \$34 billion to implement six relief measures but the one-off payments only accounted for \$5.5 billion. Around 80% of the \$34 billion would be used for helping the better-off by reducing salaries tax and profits tax as well as giving rates concession. In his view, the implementation of relief measures could not address the poverty problem but would exacerbate the disparity between the rich and the poor.

51. Mr LEUNG Kwok-hung said that the Government lacked policies on financial management. He expressed dissatisfaction with the Government's giving public money to those who had no financial needs and helping those who speculated in the stock market by reducing the stamp duty. In his view, the Government's policy objective should be helping the poor. Given its huge fiscal reserve, the Government should provide funding to offer retirement protection and relieve rental burden of CSSA recipients.

52. SLW responded that in 2015-2016, government recurrent spending on social welfare and women's interests would reach \$59.7 billion. Compared with the revised estimate for 2014-2015, there was an increase of 9.5%. In addition to the introduction of relief measures, recurrent spending on various services including elderly services and rehabilitation services would also be increased. This reflected the Government's commitment to supporting the disadvantaged.

Timetable for effecting the extra payment

53. Mr TANG Ka-piu said that although the CSSA standard payment rates and rates of allowances under the SSA Scheme should have been increased by 4.7% with effect from 1 February 2015, recipients of CSSA and SSA were still receiving the old rates. These recipients hoped that they could receive the one-off extra payment and the new rates for CSSA and SSA as early as possible. He enquired about the timing of disbursing the extra payment and the new rates for CSSA and SSA if the Appropriation Bill 2015 ("the Bill") was passed in April, May or June 2015 respectively.

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Mr LEUNG Che-cheung asked whether the Administration would consider assisting those CSSA recipients who were living in private housing and had difficulties in paying their rental if the implementation of the proposal was delayed by filibustering.

54. SLW responded that as the Secretary for Financial Services and the Treasury was authorized by FC to adjust MRA annually in accordance with the movement of the Consumer Price Index ("CPI")(A) rent index for private housing ("rent index"), FC's approval of the adjustment to MRA was not required. Eligible CSSA recipients had received the new MRA starting from 1 February 2015. The extra payment under the proposal had taken account of the 4.7% increase in CSSA standard payment rates and SSA rates. The adjustments would take retrospective effect from 1 February 2015 upon the passage of the Bill. If the Bill was passed, the funding proposal for the one-off extra payment would be submitted to FC for approval. SWD would make necessary adjustments to its computer system to implement the proposal around four weeks after the FC's approval. If the Bill was passed in end-April 2015, the proposal would be submitted for FC's consideration in around June 2015. In the event that FC could not complete the examination of the proposal within the current Legislative Council ("LegCo") session because of filibustering, FC's approval of the proposal would be sought in the next LegCo session, resulting in a few months' delay in effecting the extra payment. He said that because of filibustering by some Members last year, the Appropriation Bill 2014 was only passed on 4 June 2014 and FC's approval of last year's proposal to provide an extra payment to social security recipients was obtained in July 2014. With the Administration's extra efforts, the extra payment was effected on 8 August 2014. He appealed to Members not to filibuster this time for the benefit of about 1.18 million beneficiaries, including around 800 000 elderly persons, 130 000 DA recipients and many single-parent families. Mr POON Siu-ping said that the Administration should try to effect the extra payment within four weeks after FC's approval of the proposal.

55. Mr CHAN Chi-chuen said that by appealing Members not to filibuster so that the beneficiaries could receive the extra payment on time, SLW had in a way admitted that the existing levels of CSSA and SSA were inadequate. Given that a similar relief measure might not be introduced next year, the Administration should consider increasing the standard payment rates of CSSA and SSA rates. In considering the funding proposal for the extra payment at FC meetings, he believed that Members would observe the payment schedule. However, the Administration should not adjust the order of agenda items of FC meetings by placing controversial items before this funding proposal, in an attempt to putting the blame of delay in effecting

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payment on Members participating in filibustering.

Review of CSSA Scheme and SSA Scheme

56. Pointing out that the Administration had provided extra payments for recipients of CSSA and SSA consecutively in the past years, Mr POON Siu-ping said that it might reflect that the levels of CSSA and SSA were too low. In his view, the Administration should conduct a comprehensive review of these levels. He also enquired about the basis of setting the extra payment at two months of the standard rates/allowances and whether the Administration would establish objective standards in setting the amount of extra payment.

57. SLW responded that as stated in his Budget Speech, FS had taken account of the challenging international macroeconomic environment, the unstable economic factors, the need to boost the local economy in the short term, and Government's relatively sound fiscal position in the short to medium term in considering the relief measures. The decision to provide additional one-off payments for social security recipients in the past few years was based on individual circumstances on each occasion. One-off relief measures had no relation with the levels of CSSA and SSA. The Administration had been keeping in view the CSSA Scheme and SSA Scheme and had noted a downward trend in the number of CSSA applicants. There was a drop in both the numbers of cases and recipients of CSSA in the past 47 months in a row and the number of CSSA applicants who were unemployed had dropped continuously in the past 66 months. Such a phenomenon signified a sound local economy and a growth in the number of grassroots people who had become self-reliant.

58. In response to Mr POON Siu-ping's enquiry about how the extra payment could help reduce the number of people living below the poverty line, SLW said that both the CSSA Scheme and SSA Scheme sought to help the most needy and OALA had a positive impact on alleviating elderly poverty. With the introduction of OALA, the poor elderly population had decreased from around 33% to around 30%.

(At 12:24 pm, the Deputy Chairman extended the meeting for 15 minutes beyond the appointed ending time to allow sufficient time for discussion.)

59. The Chairman said that as early as 1994, Dr MacPherson had conducted a research entitled "A Measure of Dignity — Report on the Adequacy of Public Assistance Rates in Hong Kong". Members had a heated debate with the Administration on the recommendations made in the

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Report on the basic items to be included in the CSSA Scheme. The Administration had decided at that time not to include the basic items recommended in the Report in the CSSA Scheme.

60. The Chairman further said that many basic items were not covered by the Social Security Assistance Index of Prices ("SSAIP") compiled by the Census and Statistics Department as SSAIP consisted mainly of items covered in CPI(A). He said that with the passage of time, many items had become necessities. A review of basic items under the CSSA Scheme was therefore pivotal.

Level of rent allowance under the CSSA Scheme

61. Mr LEUNG Che-cheung said that the extra payment could only provide CSSA recipients who were living in private rental housing with short-term assistance. The rental of private housing was expected to continue to soar because of the limited housing supply. Although the Administration had planned to increase the supply of PRH in the coming five years, CSSA recipients living in private rental housing still had to suffer from high rental until the completion of the additional PRH units. The Administration should critically review the level of rent allowance under the CSSA Scheme to relieve their rental burden in the long run.

62. Dr Fernando CHEUNG said that as at end-December 2014, 51.8% of CSSA households living in private housing and 5.9% of those living in PRH (including 7 585 households with one eligible member) were paying rents which exceeded MRA. He sought information on the reduction in the number of these recipients before and after the increase of MRA by 6.7% in February 2015 and the timetable for conducting a holistic review of MRA.

63. Deputy Director of Social Welfare (Administration) ("DDSW(A)") responded that since the increase of MRA by 6.7% in February 2015, the number of CSSA households which were living in private housing and were paying rents higher than MRA had dropped from 51.8% to 42.8%. The percentage was further decreased to 32.7% if the subsidy provided under the CCF programme "Subsidy for CSSA recipients living in rented private housing" was also taken into account. The percentage of CSSA households which were living in PRH and were paying rents higher than MRA had dropped from 5.9% to 3.6%. At the Deputy Chairman's request, DDSW(A) undertook to provide the aforesaid figures in writing.

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(*Post-meeting note*: The Administration's response was issued to members vide LC Paper No. CB(2)1498/14-15(01) on 15 May 2015.)

64. The Chairman said that in the absence of a timely review of the adjustment mechanism for MRA, MRA would not be able to keep pace with the rate of increase of private housing rentals. Under the existing mechanism, MRA was adjusted by making reference to a 12-month moving average of the rent index. As rentals of private housing in different districts varied, the prevailing adjustment mechanism could not ease the rental pressure faced by CSSA households living in different districts. The adjustment mechanism should be reviewed.

65. SLW responded that MRA was adjusted annually in accordance with the movement of rent index. Adjusting MRA on a district basis would be complicated and difficult. He said that currently, the average monthly CSSA payments in households of various sizes were all higher than the average monthly expenditures of non-CSSA households whose spending was the lowest 25% in Hong Kong. The weighting system of SSAIP was updated every five years based on the findings of the Household Expenditure Survey on CSSA Households conducted. The 2014-2015 survey was underway and adjustments to the rates of CSSA would be made according to the updated weighting system in due course. In response to the Deputy Chairman's enquiry about the progress of the updating, DDSW(A) said that data collection was in progress and the rebased SSAIP would be reported to members in around end-2016. The Deputy Chairman hoped that the Administration could speed up the process.

66. The Chairman said that as the calculation of SSAIP was based on the items covered in CPI, updating the weighting system of SSAIP alone could not address the problem of outdated basic items. The Administration should review the basic items under the CSSA Scheme. Sharing a similar view, the Deputy Chairman said that some items, e.g. monthly fee for mobile phone services, had become basic necessities for the grassroots. She urged the Administration to review the CSSA system in a pragmatic manner.

Motion

67. Dr Fernando CHEUNG said that the Administration had not conducted any review of the CSSA Scheme in connection with the social changes and economic growth since 1996. He considered that there was a pressing need to conduct a comprehensive review in this regard so that the CSSA Scheme could progress with time. In this connection, he moved the following motion –

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"自1996年後，政府從未就社會變化和經濟增長而為綜合社會保障援助(下稱"綜援")計劃作一詳細的檢討。在這接近20年間，基本生活的物價和租金亦已倍增了不少，而有些項目因為生活上的改變，到今天已成為基層市民的基本生活需要項目，例如手提電話月費；故此，本委員會促請政府於本財政年度啟動全面檢討綜援計劃。"

(Translation)

"That, as the Government has never conducted a detailed review of the Comprehensive Social Security Assistance ("CSSA") Scheme in connection with the social changes and economic growth since 1996, and the commodity prices and rents shaping a basic life have increased by folds over a period of nearly two decades, with some items such as the monthly fee for mobile phone services becoming basic necessities for the grassroots today because of changes in life, this Panel urges the Government to initiate a comprehensive review of the CSSA Scheme in the current financial year."

68. The Deputy Chairman put the motion to vote. All members present were in favour of the motion. The Deputy Chairman declared that the motion was carried. She said that members had called for a review of the CSSA Scheme time and again in the past but no concrete actions had been taken so far. She urged the Administration to follow up the motion passed by the Panel. The Chairman also called on the Administration to respect the motion passed by the Panel and seriously consider initiating a comprehensive review of the CSSA Scheme in the current financial year.

Provision of OALA for eligible elderly persons residing in Guangdong

69. The Deputy Chairman said that currently, some 20 000 elderly persons who were eligible for OALA and were residing in Guangdong could not receive OALA there. In order to receive OALA, these elderly persons had no choice but to leave their family members in Guangdong and return to Hong Kong, which was highly undesirable. She enquired about whether the Administration would provide these elderly persons with OALA.

70. SLW responded that as OALA was launched not long ago, the Administration would review OALA having regard to its operational experience. The Administration would explore at an opportune time the feasibility of allowing eligible elderly persons who chose to reside in

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Guangdong to receive OALA there.

71. The Deputy Chairman said that some members had suggested allowing eligible persons living in Guangdong to receive OALA there when OALA was launched. She enquired about the timetable for completing the review of OALA. SLW responded that while the Administration had not set a timeframe for the review of OALA, the provision of OALA for elderly persons who chose to retire in Guangdong would be explored in the study of issues relating to retirement protection.

72. In response to the Deputy Chairman's invitation of views, members present supported in principle the submission of the funding proposal to FC for consideration.

V. Any other business

73. There being no other business, the meeting ended at 12:58 pm.

Council Business Division 2
Legislative Council Secretariat
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