

立法會
Legislative Council

LC Paper No. CB(2)339/04-05
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 8 November 2004 at 10:45 am
in the Chamber of the Legislative Council Building

- Members present** : Hon CHAN Yuen-han, JP (Chairman)
Dr Hon Fernando CHEUNG Chiu-hung (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Bernard CHAN, JP
Dr Hon YEUNG Sum
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert Jinghan CHENG
- Member absent** : Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
- Member attending** : Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP

**Public Officers : All items
attending**

Mr Paul TANG, JP
Director of Social Welfare

Item IV

Dr York Y N CHOW, SBS, JP
Secretary for Health, Welfare and Food

Mrs Carrie YAU, JP
Permanent Secretary for Health, Welfare and Food

Items IV and V

Ms Salina YAN
Deputy Secretary for Health, Welfare and Food (Elderly
Services)

Item V

Mrs Agnes ALLCOCK, JP
Deputy Director of Social Welfare (Administration)

Mrs Rachel CARTLAND, JP
Assistant Director of Social Welfare (Social Security)

Mr Kenneth NG
Senior Statistician (Social Welfare)

Mr CHENG Chok-man
Chief Social Security Officer (Social Security) 1

Mr LAI Shiu-bor
Chief Social Security Officer (Social Security)2

Items IV, VI and VII

Ms Linda LAI, JP
Deputy Secretary for Health, Welfare and Food (Family and
Women)

Item VI

Miss Dora FU
Principal Assistant Secretary for Health, Welfare and Food
(Women)

Mr FUNG Pak-yan
Assistant Director of Social Welfare (Family and Child
Welfare)

Mrs SO WONG Wei-yee
Chief Social Work Officer (Domestic Violence)

Mr Victor LO
Assistant Commissioner of Police (Crime)

Ms Cecilia NG
Superintendent of Police (Crime Support)

Item VII

Mr Freely CHENG
Principal Assistant Secretary for Health, Welfare and Food
(Family)

Miss Ann HON
Assistant Director of Social Welfare (Subventions)

Mr FU Tsun-hung
Chief Social Work Officer (Subventions)

**Deputations
by invitation** : Item V

Chinese Grey Power

Ms LO Siu-lan
Member

Ms WONG Lai
Member

Mr NG Kin-wing

New Women Arrivals League

Ms YEUNG Siu-kuen
Member

Ms CHENG Chun-yin
Member

Mr TSANG Chun-yuk
Worker

Clerk in attendance : Ms Doris CHAN
Chief Council Secretary (2) 4

Staff in attendance : Mr LEE Yu-sung
Senior Assistant Legal Adviser 1

Miss Mary SO
Senior Council Secretary (2) 8

I. Confirmation of minutes
(LC Paper No. CB(2)81/04-05)

The minutes of meeting held on 12 October 2004 were confirmed.

II. Information paper issued since the last meeting
(LC Paper No. CB(2)153/04-05(01))

2. Members noted the above information paper provided by the Administration entitled “Third Progress report on the Trust Fund for Severe Acute Respiratory Syndrome”, and agreed that it should be discussed at the next regular meeting in December 2004.

III. Items for discussion at the next meeting

(LC Paper Nos. CB(2)145/04-05(01) and (02))

3. Apart from the item mentioned in paragraph 2 above, members agreed to discuss the following items at the next regular meeting to be held on 13 December 2004 -

- (a) provision of infirmary beds in non-hospital settings; and
- (b) funding for social service in the next financial year.

IV. Briefing by the Secretary for Health, Welfare and Food

4. At the invitation of the Chairman, Secretary for Health, Welfare and Food (SHWF) briefed members on the work plan of the Health, Welfare and Food Bureau (HWFB) in respect of the provision of welfare services in 2004-2005. The relevant speaking note was tabled at the meeting.

Combating poverty

5. Mr Fred LI asked whether the Administration would set up a high level inter-departmental committee on aiding the poor, as requested in the motion with no legislative effect passed by the Council on 3 November 2004. Mr LI hoped that SHWF would take the lead in forming such a committee. Mr LI further requested SHWF to discuss with the Secretary for Environment, Transport and Works (SETW) on pressing public transport operators to offer half-fare concessions to people with disabilities (PWDs) and improve their facilities to cater for the needs of such people.

6. SHWF responded that the Chief Executive (CE) was very concerned about the livelihood of the poor. CE was actively considering the need of setting up an inter-departmental committee on aiding the poor, and a response on such should be forthcoming. To his understanding, CE would also address the issue of poverty in his coming Police Address. On his part, SHWF said that HWFB would focus on finding ways to further help such disadvantaged groups as PWDs and single parent families. On discussing with public transport operators to offer half-fare concessions to PWDs and improve their facilities to cater for the needs of such people, SHWF said that this would be done after he and SETW had identified which groups of PWDs were most in need of such assistance and the numbers involved.

7. Mr LEE Cheuk-yan noted from the opening remarks made by SHWF that

the Administration was focusing its effort to address poverty by engaging the third sector (i.e. groups which were non-government and non-business) and the corporate sector in developing social capital. Mr LEE hoped that this would not be a ploy for the Administration to shift its responsibility for eradicating poverty to others. Mr LEE pointed out that it appeared unlikely that the third sector had the capability to take up the task of developing social capital given the budgetary constraints, and it was unrealistic to expect a significant number of businesses would give their time and money to such a cause.

8. Mr James TIEN said that it was unlikely that any significant number of businesses would be forthcoming in releasing their staff and/giving money to help promote the development of social capital. Mr TIEN pointed out that businesses generally considered that they had discharged their social responsibility by paying profit tax and creating job opportunities. To his understanding, businesses which had been forthcoming in contributing their time and/or money to public service were large corporations from overseas whose main reason for doing so was to evade paying taxes levied by their countries. Mr TIEN was of the view that in order to convince local businesses that it was worthwhile for them to give their time and/or money in promoting the development of social capital, the Administration should first demonstrate to them that it did have an overall strategy to combat poverty. In this regard, Mr TIEN supported the setting up of a governmental inter-departmental committee to combat poverty, and considered that the committee should comprise representatives from the Commerce, Industry and Technology Bureau and the Economic Development and Labour Bureau.

9. SHWF responded that there was a need to re-focus on the "social investment" concept to strengthen the capacities and capabilities of individuals, families and communities, foster self-help, mutual help, networking and support, and encourage giving in terms of donations and volunteerism. Such paradigm shifts would encourage self-reliance and self-betterment and facilitate economic and social inclusion and integration at the individual level; and build up human capital and social capital and strengthen intergenerational solidarity and cohesion at the societal level. As a start, HWFB would engage the third sector in developing new strategic directions in relation to shifting from the "service provision" approach to a "social investment" concept and "capacity building" approach. Greater efforts would also be put into further developing the tripartite partnership between the Government, the business community and the third sector in building up social capital.

10. SHWF further said that with a low taxation regime practised in Hong Kong, the long term sustainability of the welfare system would be difficult to achieve if the policy of assisting the vulnerable was merely to inject money into the welfare programmes. Developing social capital, which was in line with the

international trend, was thus the way forward. SHWF disagreed that businesses would be resistant to helping the socially vulnerable achieve upward mobility. To his understanding, giving back to the society was one of the core values of many businesses here which were not necessarily large corporations and/or from overseas. Nevertheless, SHWF undertook to do more to encourage the business sector to participate in public service and volunteer work. SHWF assured members that the Administration would not shirk its responsibility to address poverty. It would take the lead in engaging the third sector and the corporate sector in the deliberation of their roles in such endeavour. As the task of developing social capital was complex, SHWF hoped that more time would be given to the Administration to realise such.

11. Mr Frederick FUNG shared SHWF's view that participation in public service and volunteer work was not largely confined to large businesses. For instance, a number of small companies had been donating food and other essential items and providing home services to the needy living in the Sham Shui Po district for many years. Mr Albert CHENG also said that one way to encourage the business sector to donate money to develop social capital was to raise profit tax, if what was said by Mr TIEN in paragraph 8 was true.

12. Mr LEE Cheuk-yan was unconvinced that developing social capital was the answer to the problem of poverty. Mr LEE asked whether spending on welfare services would continue to be cutback, in view of the Government's drive to balance the fiscal budget by 2007-08.

13. SHWF responded that currently, some \$33.3 billion was spent annually on welfare services. SHWF pointed out that compared with other policy areas, cutback in welfare funding was on the low side. Although he could not give any guarantee that there would not be any cutback in welfare services funding in future, every effort would be made to ensure that resources would be deployed on areas most in need.

14. Dr Fernando CHEUNG also called upon the Administration to expeditiously set up a high level inter-departmental committee to eradicate poverty. Dr CHEUNG hoped that representatives from HWFB would be its core members. Dr CHEUNG then asked what measures would be implemented by HWFB to address poverty and whether SHWF would give a guarantee that it would not cutback in welfare spending next year.

15. SHWF responded that if an inter-departmental committee on poverty was set up by the Administration, he and/or his colleagues would certainly be on it. To combat poverty on the social welfare front, SHWF said that focus would continue to be made on helping the needy. HWFB would do whatever it took to

help the needy where possible within its jurisdiction. SHWF reiterated that he could not guarantee that there would not be cutback in welfare funding next year, as this would depend on the fiscal condition of the Government, which hinged on the then economic situation, and the overall needs of the community. Nevertheless, SHWF said that he would try his best to persuade the Financial Secretary not to reduce the next year's funding on social welfare.

16. Dr YEUNG Sum urged SHWF to take up with CE on establishing an inter-departmental committee to eradicate poverty. Dr YEUNG further urged the Administration not to further curtail spending on social welfare, as the remedial costs would exceed any savings achieved. As Hong Kong had entered an inflation period, Dr YEUNG asked whether the Administration would adjust the Comprehensive Social Security Assistance (CSSA) standard rates upwards.

17. SHWF responded that CE was well aware of the consensus of the Council on the establishment of an inter-departmental committee by the Administration to eradicate poverty, and reiterated that consideration in this regard was being given. SHWF further said that although Hong Kong had entered an inflation period, the Social Security Assistance Index of Prices (SSAIP) still registered a negative change. SHWF assured members that the Administration would swiftly adjust the CSSA standard payment rates upwards if the SSAIP demonstrated a very clear upward trend. SHWF also said that although review of the CSSA payment rates was normally made annually based on the actual price movements in the previous year, such a review would now be made more frequently, say, every six months, to ensure that the CSSA Scheme could provide an effective safety net to people in financial difficulties.

18. Mr LEUNG Kwok-hung asked whether consideration would be given to raising profit tax for use on welfare services, if no guarantee could be given by SHWF to not further curtail spending on welfare services. SHWF responded that he was not in a position to answer the question.

19. Dr YEUNG Sum said that a recent study on children on CSSA revealed that these children generally had very low self-esteem, which would no doubt impact adversely on their development. Dr YEUNG hoped that the Administration, in its review of the CSSA Scheme, would consider implementing measure(s) to address the psychological barrier of children on CSSA, such as by expanding the scope of the existing school grants to cover school extra-curricular activities fees.

20. SHWF responded that he would remind staff of the Social Security Field Units of the Social Welfare Department (SWD) to be mindful of the feelings of children on CSSA in their handling of CSSA cases. He would also convey such concern to the Education and Manpower Bureau, so that appropriate measures

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could be taken at the school level.

21. Ms LI Fung-ying pointed out that if no overall strategy was formulated to address poverty, the problem of poverty would aggravate. For instance, the success of helping unemployed CSSA recipients move towards self-reliance was in fact offset by the lack of measures to help low income people from falling into the safety net. This was because in many instances CSSA recipients were competing for the same types of jobs with the low-income people. On a similar note, the Chairman also urged the Administration to expeditiously draw up a blueprint for the development of Hong Kong's social welfare policies for the next decade, which was raised by the Panel in the last legislative session.

22. SHWF responded that apart from making efforts to improve local business environment to create more job opportunities, various measures had been put in place to help low income families in the areas of housing, education and medical care. SWD had also put in place a wide range of welfare services other than social security services to help needy individuals and their families such as counselling and guidance services, community care services, residential care placement, schooling and temporary shelter assistance, etc. All those in need, including low-income earners and CSSA recipients, had equal access to receive these services by direct approach, on referral basis or outreaching network of the Department. As regards the drawing up of a blueprint on social welfare policies, SHWF said that he would like to focus on helping those most in need.

23. Mr Frederick FUNG asked SHWF whether he himself supported the idea of setting up an inter-departmental committee to combat poverty. Mr FUNG further asked whether consideration would be given to creating a second safety net to meet the specific needs of people who were in financial difficulties but could not pass the means test for CSSA.

24. SHWF responded that the idea of setting up an inter-departmental committee to combat poverty was worthy of support. On the suggestion of creating a second safety net, SHWF said that before doing so one must first examine whether the existing safety net was adequate to meet the needs of the needy; if not, what the deficiencies were. SHWF undertook to seek the advice of the Social Welfare Advisory Committee on the subject. The Chairman requested the Administration to keep members informed on its consideration.

Admin

Elderly services

25. Mr TAM Yiu-chung noted from the opening speech by SHWF that in order to better target public resources to elders most in need, the Administration aimed to develop a subsidisation scheme for residential care services for frail elders.

Mr TAM asked whether such a scheme would adopt the “money following the user” concept. If so, Mr TAM asked for information about the measure(s) which would be taken to ensure that all private homes could meet the more stringent standards laid down by SWD for subvented homes.

26. SHWF responded that the Administration’s thinking on the proposed fee assistance scheme for frail elders was to adopt the “money following the user” concept. SHWF agreed that for the proposed scheme to be workable, one of the criteria was to ensure that all private homes for the elderly could meet an acceptable set of standards. However, to do so, due regard would need to be given to how such new requirements would impact on the cost of these private home operators and whether they would drive these homes beyond the reach and affordability of many elders and their family members. SHWF further said that the Administration planned to consult the Panel on the details of the proposed scheme by end 2005.

Payment of special grants under the CSSA Scheme

27. Mr Albert CHENG said that in order to avoid misuse of public money by irresponsible CSSA recipients, special grants such as rent allowance should be paid directly by SWD to those to whom they were due.

28. SHWF responded that SWD had looked into the feasibility of such an approach and had received legal advice that a CSSA recipient’s consent must be obtained for such a direct payment arrangement. In the case of hardcore rent defaulters who were public housing tenants, a special arrangement had already been made for the rent allowance to be paid directly to the Housing Department, subject to the consent of individual recipients concerned. However, to extend the arrangement to other CSSA recipients and other payments would pose considerable difficulties for the Department given the volume of CSSA cases and the variance in the specific circumstances of individual cases. Rent allowance received that had not been used for rent payment could be recouped as an overpayment. Basically, the Administration considered that it was the personal responsibility of individual CSSA recipients to abide by the law and manage their CSSA payments. While there was a theoretical case for introducing a voucher system under the CSSA Scheme for such items as school uniforms, textbooks to prevent misuse of public money, such a system would be immensely complex to administer.

Family services

29. Mr Albert CHAN asked the Administration what measures it had taken to prevent and tackle family violence, particularly in areas where the problem of

family violence was serious, such as the Tin Shui Wai area.

30. SHWF responded that apart from adopting an integrated family service delivery model to fill service gaps so identified, additional resources had been deployed to strengthen family services. For instance, through the re-engineering of family services centres/counselling units, the number of integrated family service centres in the Tin Shui Wai area had been increased to three and the number of social workers had increased by about half. It was also hoped that resources put in to enhance social capital with a view to fostering better family relationship would in turn strengthen the capabilities of the families at risk to deal with family violence.

V. Comprehensive Social Security Assistance Scheme

(LC Paper Nos. CB(2)145/04-05(03) to (04) and CB(2)168/04-05(01) to (02))

31. Before inviting the Administration to brief members on its paper, the Chairman explained that the reason for having two deputations to give views on the CSSA Scheme was because they had made a strong request to do so at the meeting.

32. Deputy Secretary for Health, Welfare and Food (Elderly Services) (DSHWF(ES)) introduced the Administration's paper (LC Paper No. CB(2)145/04-05(03)) which provided information on the CSSA Scheme and the specific reviews being undertaken to review the system.

33. The Chairman then invited representatives from the Chinese Grey Power and the New Women Arrivals League to give their views on the CSSA Scheme, details of which were set in their respective submissions (LC Paper Nos. CB(2)168/04-05(01) to (02)). Notably, they requested the Administration to immediately adjust the CSSA standard payment rates upwards; review the CSSA Scheme, include the level of standard rates and residence requirements; and consider the setting up of an old age pension scheme.

34. The Chairman suggested and members agreed to set up a subcommittee on review of the CSSA Scheme. In the meantime, Mr LEE Cheuk-yan asked the Administration whether it had any new justification for not immediately adjusting the CSSA standard rates upwards having regard to the inflationary situation.

35. DSHWF(ES) responded that there was no question of the Administration delaying to adjust the CSSA standard rates upwards. A close watch would be kept on the inflation trend and its impact on CSSA recipients as reflected by the

movement of the SSAIP to ensure that the CSSA rates were adjusted in time to maintain their purchasing power. The weighting system of the SSAIP on the basis of the findings of the 2004-05 household expenditure survey for CSSA households would be updated, to ensure that the index could accurately reflect the expenditure pattern of CSSA recipients. Initial results were expected to be available in late 2005. DSHWF(ES) pointed out that contrary to some members' comment that the Administration was quick in cutting CSSA rates but slow in adjusting them upward, the Administration had actually been slow in adjusting the CSSA rates downwards. This was criticised by the Director of Audit in 1999. As a result of the over-adjustment for inflation of CSSA standard rates in 1997-99 and continuous deflation thereafter, there was an overshoot of 12.4% up to March 2002. However, the 11.1% downwards adjustment was only effected from 1 June 2003.

36. Dr Fernando CHEUNG remarked that although what the Administration said in paragraph 35 above that it did not immediately reduce the CSSA rates downwards when the SSAIP registered a negative change was true, it should be pointed out that the tightening of CSSA payments for able-bodied recipients in 1999 was not based on inflation/deflation as reflected in the movement of the SSAIP.

VI. An update on strategy and measures to prevent and tackle family violence

(LC Paper Nos. CB(2)145/04-05(05) and (06))

37. Members noted a submission from the Hong Kong Council of Social Service (HKCSS) tabled at the meeting.

38. The Chairman suggested and members agreed to set up a subcommittee to study the strategy and measures to prevent and tackle family violence. Due to time constraint, the Chairman suggested to defer the discussion of the Administration's paper (LC Paper No. CB(2)145/04-05(05)), which provided an update on the Administration's strategy and measures to prevent and tackle family violence, to the first meeting of the subcommittee. Members agreed.

VII. Matching grant for social welfare services

(LC Paper No. CB(2)145/04-05(07))

39. Deputy Secretary for Health, Welfare and Food (Family and Women) introduced the Administration's paper on SWD's plan to establish a \$200 million one-off Matching Grant earmarked in the 2004-05 Budget for promoting tripartite

partnership in helping the disadvantaged. Subject to members' views, the Administration intended to put up the proposal on the Grant to the Finance Committee (FC) of the Legislative Council (LegCo) for funding approval.

40. Mr Albert CHENG expressed the following concerns raised by Mr Bernard CHAN and HKCSS about the Matching Grant, which he also shared -

- (a) the proposed ceiling of 15% of the allocation from the Grant for staffing or administrative expenses was unacceptably low, as carrying out welfare initiatives invariably involved staff and staff costs formed the bulk of non-governmental organisations (NGOs) operating expenses; and
- (b) the fund set aside for promoting tripartite social partnership should be increased from \$10 million to \$20 million, and that the promotion of such should not be limited to the development of a web-based platform.

41. Director of Social Welfare (DSW) responded that in order to ensure that the Matching Grant would bring maximum benefit to the disadvantaged groups, the Administration, after having consulted the stakeholders, considered it appropriate to set the amount of the allocation from the Government that could be used by NGOs on staffing or administrative expense at no more than 15%. However, under very exceptional circumstances, worthwhile projects which could only be delivered with a higher percentage of justifiable administrative expenses might be considered for approval by the Vetting Committee. DSW further said that the amount of \$10 million to be spent on promoting tripartite social partnership was an estimate subject to review, and the promotional methods would not be confined to the development of a web-based platform.

42. Mr Albert CHENG considered the explanation given by DSW on the 15% ceiling unreasonable as well as unfair to the NGOs, having regard to the fact that the same would not be applied to the portion of the project cost contributed by the business sector.

43. Mr LEE Cheuk-yan said that he would accept the proposal if the ceiling was on the percentage of administrative expenses only. DSW responded that as applications for the Matching Grant were voluntary, there would be sufficient flexibility for NGOs to come up with proposals that could meet the conditions set down by the Grant.

44. Dr Fernando CHEUNG said that if an NGO was only allowed to use no more than 15% of the allocation for implementing the project, the same

requirement should also be applied to SWD.

45. Mr Frederick FUNG said that the 15% ceiling would not only have the adverse effect of discouraging NGOs from applying for the Matching Grant, the already heavy workload of NGO staff would aggravate as a result of the enhanced tripartite social partnership following the establishment of the Grant.

46. DSW responded that the workload of the NGO staff would not necessarily be increased as a result of more tripartite social partnerships because through such partnership more volunteers could be mobilised.

47. On closing, the Chairman urged the Administration to take into account members' views when finalising its proposal on setting up a Matching Grant for promoting tripartite partnership for FC approval.

VIII. Any other business

(LC Paper No. CB(2)162/04-05(01))

Setting up of a subcommittee to study the subject of combating poverty

48. Members noted the submission from Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr Frederick FUNG, Mr LAU Chin-shek and Dr Fernando CHEUNG proposing to set up a subcommittee under this Panel and the Panel on Manpower to study the subject of combating poverty.

49. The Chairman pointed out that the Rules of Procedure of LegCo did not provide for two or more Panels to jointly appoint a subcommittee. There were previous cases of subcommittees being formed by the House Committee (HC) to study specific subjects which straddled the policy areas of more than one Panel. The subcommittee to study the juvenile justice system formed by HC in the last term was a case in point.

50. Mr LEUNG Kwok-hung expressed support for the proposed subcommittee to be formed under HC. Mr James TIEN concurred, as the subject of combating poverty straddled the policy areas of a number of Panels.

51. Dr Fernando CHEUNG agreed to withdraw the proposal to set up a subcommittee under this Panel and the Panel on Manpower to study the subject of combating poverty. He would submit a fresh proposal to HC seeking its approval for setting up a subcommittee to study the subject of combating poverty on 12 November 2004.

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52. There being no other business, the meeting ended at 1:20 pm.

Council Business Division 2
Legislative Council Secretariat
8 December 2004