

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 16th meeting
held at the Legislative Council Chamber
on Friday, 22 June 2007, at 3:00 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP

Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon LEE Cheuk-yan
Hon Bernard CHAN, GBS, JP
Hon LEUNG Yiu-chung
Hon WONG Yung-kan, JP
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon MA Lik, GBS, JP
Hon CHIM Pui-chung

Public officers attending:

Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Robin IP	Deputy Head of the Central Policy Unit
Mr Raymond TAM	Secretary to the Commission on Strategic Development, Central Policy Unit

Mrs Betty FUNG, JP	Deputy Secretary for Education and Manpower
Ms Karyn CHAN	Principal Assistant Secretary for Education and Manpower (Manpower Planning and Training)
Mr CHAN Wing-tak	Chief Technical Adviser/ Subvented Projects Architectural Services Department
Dr Carrie WILLIS	Executive Director Vocational Training Council
Mrs LO LEE Oi-lin	Deputy Executive Director (Development) Vocational Training Council
Dr LEE Kin-wang	Head, Estates, Health and Safety Division Vocational Training Council
Mr Daniel CHENG	Principal Assistant Secretary for Education and Manpower
Mr Peter CHEUNG	Executive Director Hong Kong Council for Academic Accreditation
Mrs Ingrid YEUNG	Deputy Secretary for Health, Welfare and Food (Health) ²
Dr Vivian TAAM WONG, JP	Director (Strategy and Planning) Hospital Authority
Ms Carol YIP	Deputy Secretary for Health, Welfare and Food (Elderly Services and Social Security)
Mr D C CHEUNG	Principal Assistant Secretary for Health, Welfare and Food (Elderly Services and Social Security) ²
Mr Tony YIP	Assistant Secretary for Health, Welfare and Food (Elderly Services and Social Security) ⁴
Miss Nancy LAW, JP	Acting Director of Social Welfare
Mr NG Wai-kuen	Chief Social Security Officer 2 Social Welfare Department
Mr Kenneth NG	Senior Statistician Social Welfare Department

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Item No. 1 - FCR(2007-08)20

RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE MADE ON 22 MAY 2007

The Chairman put FCR(2007-08)22 except EC(2007-08)3 to the vote. The Committee approved the proposal.

EC(2007-08)3 Proposed retention of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Central Policy Unit under the Offices of the Chief Secretary for Administration and the Financial Secretary of Government Secretariat as Assistant Secretary to the Commission on Strategic Development for a period of two years, from 1 July 2007 to 30 June 2009

2. Ms Margaret NG said that as the proposed retention of one supernumerary post of Administrative Officer Staff Grade C (D2) in the Central Policy Unit (CPU) was meant to provide support to the Commission on Strategic Development (CSD), the Administration ought to explain the role and achievements of CSD to assess the continued existence and representativeness of CSD, particularly when there were other existing consultative committees, including the Legislative Council (LegCo) Panels comprising elected members who represented different sectors of the community, to avoid duplication of efforts. Besides, it appeared that CSD had been delaying the constitutional development. She said that in the absence of additional information which would justify the present proposal, she was not prepared to support it.

3. In response, the Deputy Head of the Central Policy Unit (DH/CPU) said that over the past 18 months, CSD had offered insightful views and expert advice on a wide range of political, economic and social issues of strategic importance to the long-term development of Hong Kong. It had also been instrumental and effective in taking forward community discussion on certain highly controversial issues such as Hong Kong's future constitutional development. As the most important advisory body to the Chief Executive (CE) and the platform for the Government and various sectors of the community to explore and interact with each other on major strategic issues pertaining to long-term development, CSD should continue to operate. There would not be a duplication of efforts between CSD and other committees because the issues being dealt with by CSD were major strategic issues straddling different policy bureaux. The Secretary to the Commission on Strategic Development (S/CSD) added that CSD had held in-depth discussions on the possible models for selecting the CE and forming the LegCo by universal suffrage. It had also contributed to the preparation of the Green Paper on Constitutional Development.

4. Ms Margaret NG said that she found nothing new in the Administration's response. She did not see a need for the continued existence of CSD if its role was merely to collate public views when discussions could more effectively be held by LegCo. She maintained her view that CSD would not be of much use and would

procrastinate constitutional development. As such, she would vote against the proposal.

5. Mr LEUNG Kwok-hung said that as LegCo Members were elected by the people of Hong Kong, the Principal Officials should devote more time to discuss Government policies with LegCo rather than CSD. More resources should be allocated to the LegCo Secretariat rather than the CSD Secretariat. He also questioned the constitutional role of CSD which had not been provided for in the Basic Law. DH/CPU explained that CSD was appointed by CE and had served as the most important advisory body. The four committees of CSD, with members drawn from a wide spectrum of the community, had been very effective in providing a platform for the Government to canvass community views on issues of strategic importance to the future development of Hong Kong, as well as to build up broad consensus on controversial and difficult issues. CSD would continue to coordinate and work closely with the relevant bureaux and departments in the formulation and implementation of policies. These policies would be further discussed by LegCo. S/CSD added that the operation of CSD would not in any way undermine the constitutional role of LegCo. Besides, the CE could maintain existing advisory bodies and also appoint new ones under the Basic Law and existing legislation.

6. Ir Dr Raymond HO noted that CSD comprised a wide spectrum of community leaders and experts, including professionals, academics, businessmen, politicians, prominent labour and media personalities, who contributed valuable advice on the future development of Hong Kong. The role of CSD was similar to that of the advisory bodies set up before the Handover and had provided a platform to canvass community views on a broader scale. He therefore considered it worthwhile to continue with the operation of CSD.

7. Mr Albert CHAN recalled that at the special meetings of the Finance Committee (FC) to examine the Estimates of expenditure, he had questioned the need for expanding CE's Office at the expense of other departments. He failed to see the need for the continued existence of CSD because its work could be taken over by the Constitutional Affairs Bureau (CAB). He opined that the Executive Council should endeavour to contain the establishment of the Government, and avoid creating additional directorate posts and establishing new advisory bodies. Mr LEUNG Kwok-hing echoed that funding for the staffing proposal should not be approved because the work of CSD should have been undertaken by CAB.

8. The Chairman put FCR(2007-08)20 to the vote. 29 members voted for the proposal, nine members voted against and seven members abstained. The individual results were as follows:

For :

Mr James TIEN Pei-chun

Mrs Selina CHOW LIANG Shuk-yee

Mr CHAN Kam-lam

Dr Philip WONG Yu-hong

Mr Howard YOUNG

Ir Dr Raymond HO Chung-tai

Miss CHAN Yuen-han

Mrs Sophie LEUNG LAU Yau-fun

Mr Jasper TSANG Yok-sing

Mr LAU Kong-wah

Mr LAU Wong-fat
Miss CHOY So-yuk
Mr TAM Yiu-chung
Ms LI Fung-ying
Mr Vincent FANG Kang
Mr LI Kwok-ying
Mr Daniel LAM Wai-keung
Mr Andrew LEUNG Kwan-yuen
Mr WONG Ting-kwong
Mr KWONG Chi-kin
(29 members)

Ms Miriam LAU Kin-ye
Mr Timothy FOK Tsun-ting
Mr Abraham SHEK Lai-him
Mr Tommy CHEUNG Yu-yan
Mr WONG Kwok-hing
Dr Joseph LEE Kok-long
Mr Jeffrey LAM Kin-fung
Mr CHEUNG Hok-ming
Prof Patrick LAU Sau-shing

Against :

Ms Margaret NG
Ms Audrey EU Yuet-mee
Mr LEUNG Kwok-hung
Dr Fernando CHEUNG Chiu-hung
Miss TAM Heung-man
(9 members)

Mr Albert CHAN Wai-yip
Mr Alan LEONG Kah-kit
Dr KWOK Ka-ki
Mr Ronny TONG Ka-wah

Abstention :

Mr Albert HO Chun-yan
Mr James TO Kun-sun
Mr SIN Chung-kai
Mr LEE Wing-tat
(7 members)

Mr Martin LEE Chu-ming
Mr CHEUNG Man-kwong
Dr YEUNG Sum

9. The Committee approved the proposal.

Item No. 2 - FCR(2007-08)21

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 6 JUNE 2007

10. The Chairman put FCR(2007-08)21 except PWSC(2007-08)24 to the vote. The Committee approved the proposal.

PWSC(2007-08)24 19EM Construction of new campus at Tiu Keng Leng for Vocational Training Council

11. The Chairman drew members' attention to a submission from the Traffic and Transport Committee of the Sai Kung District Council (SKDC) tabled at the meeting regarding the request for the construction of a footbridge to provide a direct link between the new campus of the Vocational Training Council (VTC) and the Metro Town shopping mall.

12. While not opposing to the proposal, Dr YEUNG Sum enquired about the Administration's response to local residents' strong request for the construction of a footbridge to provide a direct link between the new campus of VTC and the Metro Town shopping mall to meet the increased pedestrian flow arising from the commissioning of the campus. He further asked if the Education and Manpower Bureau (EMB) would support the construction of the footbridge. The Deputy Secretary for Education and Manpower (DSEM) said that the request was discussed at the meeting of the Public Works Subcommittee on 6 June 2007. Based on the consultancy study on the projected pedestrian flow commissioned by VTC, the demand for road crossings in 2011 upon full commissioning of the new campus could be met through widening of the two existing pedestrian crossings. The projected pedestrian flow during peak hours in 2011 was estimated at around 5 000, with 3 000 being VTC students and 2 000 being local residents. While there was a demand for additional pedestrian crossings, the provision for a new footbridge would need to be justified. As the present study only addressed the projected demand for pedestrian crossing facilities up till 2011, it was agreed that a further study up to 2016, taking account of the development of road network, would be conducted. The outcome of the study on pedestrian demand up to 2016 would be reported to SKDC, possibly by the end of the year when the study was completed. If the outcome of the pedestrian demand study revealed a need for the footbridge, EMB would support the proposed provision for the benefit of students. The Executive Director, VTC (ED/VTC) added that in order to assess the justifications for a new footbridge, a study on the projected pedestrian demand up to 2016 would be performed by VTC's traffic consultant, taking into account the neighbouring developments as well as the future road network.

13. Mr LEE Wing-tat was pleased that the Administration had agreed to conduct a study on the projected pedestrian demand up to 2016 because by then, many of the surrounding developments would be completed. He said that if the projected demand revealed a need for the footbridge, the Administration should include the footbridge in the present contract as this would be more cost-effective than having a separate tender for the footbridge. He also supported the planting of more trees along the existing pedestrian walkways. Expressing similar views, Ir Dr Raymond HO agreed with Mr LEE that it would be more cost-effective to include the construction of the footbridge in the tender specifications as a separate tender for the footbridge would be more costly. He also pointed out the need to allow greater flexibility in assessing pedestrian demand to cater for the increase in pedestrian flow during special events. DSEM said that the possibility for a footbridge would be set out in the tender specifications for the project. As regards the provision of trees along the existing pedestrian walkways, she agreed to convey members' request to the Director of Highways. ED/VTC supplemented that the provision of a footbridge could be included in the tender specifications as an optional item. As the tender exercise would start in September/October 2007, the study on projected pedestrian demand should be completed by then. Mr LEE commended the Administration for its efforts in accommodating the request from the local community.

14. Prof Patrick LAU said that he had participated in the design competition of the new campus, the facilities of which would be opened to the public during non-school hours. He opined that if the demand of local residents using the campus

facilities was taken into account, this would justify the provision of a footbridge. ED/VTC said that the traffic consultants would be requested to take note of the increased pedestrian demand arising from the commissioning of the new campus since many of the local residents would likely make use of the facilities provided.

15. Mr Andrew LEUNG declared interest as the Chairman of VTC. He said that VTC was thankful to members for their persistent request for the provision of a footbridge for the safety of students and residents alike who would be using the facilities of VTC. He hoped that the statistics on pedestrian demand would justify the provision of the footbridge. He added that he would pursue with the provision of more trees along the existing walkway for the benefit of pedestrians. He called upon members to support the funding proposal.

16. The Chairman asked if additional funding would need to be sought for the provision of the footbridge. DSEM said that as the construction cost of the footbridge would be around \$15 million, which fell within the delegated funding authority, further approval from FC might not be required. Besides, there were contingency expenses which could be used for the provision of additional facilities for the project.

17. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2007-08)22

HEAD 156 – GOVERNMENT SECRETARIAT :EDUCATION AND MANPOWER BUREAU

♦ Subhead 700 General non-recurrent

Item 918 Implementation of Qualifications Framework New Item “Qualifications Framework Support Schemes”

18. The Chairman informed members that the Panel on Manpower was consulted on the proposal at its special meeting on 17 May 2007.

19. On behalf of Mr LAU Chin-shek, Chairman of the Panel on Manpower, who was not present at the meeting, Mr KWONG Chi-kin, Deputy Chairman of the Panel, reported that the Panel was in general supportive of the proposal. However, there was request for the Government to increase the reimbursement of the Recognition of Prior Learning (RPL) assessment fees from 50% to 100% and to extend the scheme to cover trade unions (in addition to non-profit-making organizations) so that they would be eligible for the grants under the support schemes. The Administration later agreed to increase the reimbursement rate to 100% but the total amount of the reimbursement for each employee would be capped at \$1,000 to enable more employees to benefit from the scheme. As regards the proposed extension of the eligibility criteria for the grants to cover trade unions, the Administration advised that this would not be possible because trade unions were not non-profit-making organizations. If the Government were to extend the criteria, other organizations,

such as trade associations and professional bodies, would likely have a claim for similar treatment.

20. Ms Margaret NG recalled that when the Accreditation of Academic and Vocational Qualifications (AAVQ) Bill was introduced into LegCo, she had raised concerns about possible Government's intervention with the accreditation of academic and vocational qualifications. She was not opposed to the passage of the Bill because she was aware that the industries were in support of the introduction of the Qualification Framework (QF). She pointed out that since a lot of funding would be required to implement the Qualifications Framework Support Schemes (QFSS), there would be a need to ensure that the funds were well spent. She therefore enquired if there were any objective criteria to assess the effectiveness of implementing QF.

21. In response, DSEM stressed that participation in QF was voluntary and stakeholders could choose not to participate. The progress of developing QF so far was that a total of 12 Industry Training Advisory Committees had been set up after consensus had been reached within the industries concerned and six of them had drawn up Specifications of Competency Standards (SCSs). These SCSs were competency-based standards drawn up in consultation with stakeholders of the industries and formed the basis for training providers to design learning programmes that met the needs of the industries. A pilot scheme on the RPL mechanism would be carried out in the first three industries that had completed industry consultation on their SCSs, namely, the Watch and Clock, Hairdressing, and Printing and Publishing industries. A review of the pilot scheme would be conducted after the RPL mechanism had been in place for about a year's time. Subject to the outcome of the review, the RPL mechanism would be implemented in other industries which had already drawn up their SCSs. A gradual and progressive approach would be adopted in implementing QF and funding under the QFSS would be disbursed over an extended period of five years.

22. DSEM further said that as QF was a new endeavour to promote lifelong learning within the industries, efforts were needed to promote the various QFSS. Based on overseas experience, the effectiveness of implementing QF could be assessed by the extent of industry participation; availability of SCS-based courses; further development of the training market which included the number of training providers and courses accredited and the number of training courses registered by providers in the Qualifications Register; and the number of workers who had successfully sought recognition of their skills, knowledge and experience under the RPL mechanism and had pursued further training/studies. At members' request, the Administration agreed to provide in writing the criteria and indicators for assessing the effectiveness of implementing QF.

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23. Mr TAM Yiu-chung noted that the reimbursement of RPL assessment fees would only be applicable to an employee who had satisfactorily completed a QF-recognized training course after passing the RPL assessment. He thought that workers who had sought recognition of their experiences might not have time to undergo further training, and hence would not be eligible for the reimbursement. He enquired if some flexibility could be exercised so that workers could still be eligible

for the reimbursement even if they did not pursue further training. DSEM said that the purpose of implementing QF was to promote lifelong learning. The reimbursement of RPL assessment fees was meant to provide the needed incentive for the low-education and low/semi-skilled workers to pursue further learning/training with a view to enhancing their employability and competitiveness. Besides, some QF-recognized training courses could only be as short as six hours with minimal fees charged. Workers who had completed these courses would be reimbursed 100% of their RPL assessment fees, subject to a cap of \$1,000.

24. Mr TAM Yiu-chung remained of the view that there was no need to force workers to pursue training in order to be eligible for reimbursement of RPL assessment fees. Besides, there might not be enough training courses which were relevant to the workers who might also have difficulties in finding time to attend the courses no matter how short these courses might be. Dr Fernando CHEUNG echoed that workers who worked long hours would not be able to find the time to pursue training. DSEM said that it was agreed by the Bills Committee on the AAVQ Bill that the reimbursement of RPL reassessment fees should only be provided upon satisfactory completion of a QF-recognized training course. If the workers would only choose to undergo RPL assessment without pursuing further training, this would defeat the purpose of QF which was meant to encourage employees to pursue learning or training.

25. Mr WONG Kwok-hing shared other members' concern about the requirement for satisfactory completion of QF-recognized training courses before consideration be given to the reimbursement of RPL assessment fees. He pointed out that not all employees applying for RPL assessment were low-education and low/semi-skilled workers. Many of them might wish to apply for RPL assessment to seek formal recognition of their knowledge, skills and experience. The requirement for training would fail to respect the experts in the field who were renowned for their skills. He opined that consideration should be given to delinking the criteria for reimbursement of assessment fees from the training requirement. DSEM said that since the RPL assessment was applicable to skills at level one to four, those who were experts in the field would not need to go through such assessment. It was envisaged that the majority of those who opt to undergo RPL assessment were low-education and low/semi-skilled workers who wished to seek recognition of their skills, knowledge and experience. There would be significant resource implications if all workers were given reimbursements on their RPL assessment fees.

26. Mr WONG Kwok-hing opined that the Government should consider allocating more funding to promote QF rather than setting hurdles for workers to reimburse the RPL assessment fees. As such, he would find it hard to support the proposal if sufficient funding was not provided for the implementation of QF. DSEM said that as the purpose of QF was to encourage continuing education and lifelong learning to help enhance the competitiveness of the local workforce, there was a need to provide incentives for workers to pursue training.

27. Miss CHAN Yuen-han said that most experts in the industries started off as low-skilled workers and acquired their skills through apprenticeship. Many of them had become highly skilled after years of training and they would only need to seek recognition of their skills under the RPL mechanism but not further training. It would be a waste of time and resources to require these trained workers who were experts in their field to pursue further training in order to be eligible for reimbursement of RPL assessment fees. It would not be fair that skilled workers should be "forced" to undergo training. DSEM said that low-skilled workers could seek reimbursement of the RPL assessment fees if they chose to take training courses, which could be at a higher level. In this way, they would be encouraged to take up a higher level of training and benefit through upgrading of skills.

28. Miss TAM Heung-man enquired whether, in addition to the proposed one-off grant to cover the expenses of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) for the development and implementation of the various systems and mechanism under QF, recurrent funding would be provided to meet its operating expenses. DSEM said that the preparatory work and development activities for QF had placed a heavy financial burden on HKCAAVQ, which was a self-financing statutory body without recurrent subvention from the Government. To ensure that HKCAAVQ had the necessary resources and expertise to assist the Government in rolling out QF without passing the associated costs on to training providers seeking accreditation under QF, the Administration had approved under authority delegated by FC, the provision of one-off grants totalling \$14.671 million to the Hong Kong Council for Academic Accreditation (HKCAA) in 2005 and 2006 to enable it to undertake various initial development activities for QF. As the said one-off grants had largely been depleted and in anticipation of a substantial increase in accreditation workload and diversity of work, the Administration had proposed that a further one-off grant totalling \$36.39 million should be provided to HKCAAVQ for the development and implementation of QF. Meanwhile, its operating costs would still be met by HKCAAVQ on a self-financing basis. The Executive Director, HKCAA added that the preparatory work for developing and implementing QF was expected to complete in three years' time. With the experience gained in developing the various systems and mechanism under QF, HKCAAVQ should be able to continue its operation on a self-financing basis but further discussions on the funding arrangement would be held at a later stage. The Principal Assistant Secretary for Education and Manpower (PAS/EM) further explained that HKCAAVQ would be required to keep a separate account for the grants and report to the Education and Manpower Bureau (EMB) periodically. The proposed grants for the subsequent year would be disbursed to HKCAAVQ only when grants provided in the previous years had been fully used or committed and upon satisfactory progress of the activities undertaken.

29. Noting that accreditation grants would be provided for self-financing programmes, and that each training provider would be able to receive a maximum grant of \$2 million, Miss TAM Heung-man enquired about the number of eligible programmes and whether priority would be given to training providers who had not applied for funding before. PAS/EM said that based on an analysis of the market situation, the maximum grant of \$2 million should be sufficient for training providers

to provide for the accreditation of the training courses. As sufficient funding would be provided, a priority mechanism was not necessary.

30. Dr Fernando CHEUNG recalled that when scrutinizing the AAVQ Bill, he had raised concerns about the adverse impact of the implementation of QF on the employment opportunities of the handicapped. The Administration had then assured members that the handicapped would be given employment opportunities, and that representatives from the associations for the handicapped would be appointed in the consultative committees. He sought an undertaking from the Administration in this respect. He also asked if standing committees would be set up to monitor the expenses associated with the scheme as the funding to be provided was quite significant. DSEM said that the application of QF to the handicapped had been discussed at length by the Bills Committee on the AAVQ Bill. As training opportunities would apply to the handicapped, they should also be required to undergo training to better equip themselves for employment. Following the passage of the Bill, VTC had been requested to organize training courses for the handicapped. The associations for the handicapped were being represented at the standing committees of VTC and their representation at the Manpower Development Committee would be further considered.

31. Dr Fernando CHEUNG enquired about the timetable for rationalizing the various funds set up by EMB, including the Employees Retraining Levy for domestic helpers from abroad. DSEM said that a review of the Employees Retraining Levy was being conducted by the Employee Retraining Board which would submit its proposals to the Administration on the usage of the levy.

32. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2007-08)23

**HEAD 140 – GOVERNMENT SECRETARIAT :GOVERNMENT
SECRETARIAT : HEALTH, WELFARE AND FOOD BUREAU**

**♦ Subhead 869 Hospital Authority – Information technology system for
Chinese medicine outpatient clinics**

**Item 166 Hospital Authority - Information technology system for Chinese
medicine outpatient system for Chinese medicine outpatient clinics**

33. The Chairman informed members that the Panel on Health Services was consulted on the proposal at its meeting on 14 May 2007.

34. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 5 - FCR(2007-08)24

HEAD 170 – SOCIAL WELFARE DEPARTMENT

♦ **Subhead 179 Comprehensive social security assistance scheme**

35. The Chairman informed members that the Panel on Welfare Services (WS Panel) was consulted on the proposal at its meetings on 30 March and 12 April 2007.

36. Miss CHAN Yuen-han, Chairman of WS Panel, said that Panel members from different political parties were supportive of the proposed improvements to the provision of disregarded earnings (DE) under the Comprehensive Social Security Assistance (CSSA) Scheme although they thought more could be done to improve DE. The Panel generally supported the raising of the "no deduction" limit from \$600 to \$1,000, abolition/relaxation of the "no DE for the first three months" rule and raising of the maximum level of DE from \$2,500 to \$3,500. The Administration was also urged to take into account the Panel's views when submitting the funding proposal to FC.

Raising of the maximum level of DE from \$2,500 to \$3,500

37. While not opposing to the present proposal, Miss CHAN Yuen-han considered the proposed improvements made to the provision of DE were too minimal. She said that CSSA recipients would benefit from the raising of the maximum level of DE which would provide incentives for them to seek employment. As such, she was disappointed that the Administration had not acceded to members' request of further increasing the maximum level from \$2,500 to \$3,500 which was unanimously supported by all political parties.

38. The Deputy Secretary for Health, Welfare and Food (Elderly Services and Social Security) (DS/HWF) said that the review of DE under the CSSA Scheme had been discussed at length by the WS Panel. The Administration did not see a case for further raising the maximum level of DE from \$2,500 to \$3,500. In 2003, the level of monthly DE was raised by some 40% from \$1,805 to \$2,500. At present, the current benefit levels for larger households were already appreciably higher than market wages for low-skilled jobs. A higher level of monthly DE would further push the total resources of CSSA families with an employed member further above market wages. For example, a four-member CSSA family would receive \$9,344 (the average monthly CSSA payment), plus \$3,500 (if an adult enjoyed maximum DE), i.e., \$12,844 per month, which was higher than the average monthly income of \$9,500 of a four-member non-CSSA household in the lowest 25% income group. She further said that DE was only one of the components in the Support for Self-reliance (SFS) Scheme implemented by the Social Welfare Department to assist CSSA recipients to improve their employability and maximize their chances to obtain paid employment. The other two main components of the SFS Scheme would include the Active Employment Assistance Programme and the Community Work Programme.

39. Dr Fernando CHEUNG pointed out that the problem of poverty had been increasingly serious as revealed in the report of the Commission on Poverty and statistics extracted from the Census and Statistics Department 2006 Population By-census publications. The purpose of introducing DE was to encourage the more employable CSSA recipients to work and to become self-reliant. He noted that while members' suggestion of increasing the "no deduction" limit from \$600 to \$1,000 would incur \$43 million, this was only about \$13 million more than the current proposal of increasing the "no deduction" limit from \$600 to \$800 which would cost \$30 million. DS/HWF clarified that the recurrent financial implications for implementing the proposed improvements to DE arrangements would be around \$30 million, and that the difference between increasing the "no deduction" limit from \$600 to \$800 and from \$600 to \$1,000 was \$20 million. She said that a higher increase in the "no deduction" limit might serve as a greater disincentive for CSSA recipients to leave the CSSA net.

40. Dr Fernando CHEUNG however held the view that incentives should be provided for CSSA recipients to seek employment to become self-reliant so that they could leave the CSSA net. DS/HWF said that the provision of DE would provide CSSA recipients with more financial incentives to remain in employment. On the other hand, more generous DE might render more people eligible for CSSA and delay their exit from the system.

Abolition/relaxation of the "no DE for the first three months" rule

41. Dr Fernando CHEUNG opined that the less time CSSA families remained in the CSSA net, the higher chances they could leave the CSSA net. He therefore enquired if consideration could be given to further reducing the "two month" rule to "one month" rule. DS/HWF said that the further relaxation of the "two month" rule might defeat the purpose and effectiveness of the rule.

42. The Chairman put the item to vote. The Committee approved the proposal.

43. The meeting was adjourned at 4:40 pm.