

立法會
Legislative Council

LC Paper No. CB(2)940/07-08

(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

**Minutes of special meeting
held on Monday, 29 October 2007, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)
Hon LEE Cheuk-yan
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon YEUNG Sum, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki

Members absent : Hon CHAN Yuen-han, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan

Member attending : Hon Albert CHAN Wai-yip

Public Officers attending : Item I

Ms Irene YOUNG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1

Mr Stephen FISHER, JP
Director of Social Welfare

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

Miss Ann HON
Assistant Director of Social Welfare (Subventions)

**Deputations/
individual
by invitation**

: Item I

Union of HK Rehabilitation Agencies Workshop Instructor

Mr SIN Kin-ming
Vice President

Staff Association of Hong Kong Young Women Christian
Association

Mr TSE Sai-ki
Director of Rights and Complaints Division

Hong Kong Chinese Civil Servants' Association, Social
Workers Officers Grade Branch

Mr LEUNG Kin-hung
Chairman

Stewards Staff Union (Social Service Branch)

Mr LEE Siu-chung
President

The Hong Kong Council of Social Service

Ms Christine FANG
Chief Executive

Kwun Tong Methodist Social Service

Ms YEUNG Yee-ching
Executive Secretary

Evangelical Lutheran Church Hong Kong – Social Service

Mr Samuel NGAI
Executive Director

Hong Kong Social Workers' General Union

Mr CHEUNG Kwok-che
President

The Boys' & Girls' Clubs Association of Hong Kong Staff
Club

Miss TANG Yin-ping
Chairperson

Staff Association of The Hong Kong Federation of Youth
Groups

Mr CHEUNG Chi-wai
Chairman

Fight for Social Welfare Alliance

Mr YUM Kwok-tung
Spokesman

Social Welfare Organizations Employees Union

Mr LIU Wai-ying
Chairman

Hong Kong Confederation of Trade Unions Committee of
Public Services

Mr TANG Wai-wah
Convenor

Community Care and Nursing Home Workers General
Union

Ms TSE Woon-sung
Executive Director

Staff Union of the Mental Health Association of Hong Kong

Mr CHEUNG Chor-kin
Committee Member

Hong Kong Federation of Social Work Students

Miss LO Ka-ki
External Vice President

Chung Shak-hei (Cheung Chau) Home for the Aged, Ltd.
Employees General Union

Mr LEUNG King-chuen
Chairman

Department of Social Sciences in Caritas Francis Hsu
College (Unified States)

Mr WONG Cheuk-fai
External Vice-Chairman

Hong Kong Social Workers Association

Mr CHUA Hoi-wai
President

Caring NGOs

Miss LAU Ka-mei
Member

Individual

Dr AU Chor-fai

Frontline Welfare Employee Union

Mr TAM Leung-ying
Secretary

The Hong Kong Council of Social Service Core Group on
Lump Sum Grant (Agency Representative)

Mr Stephen YAU

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

Staff in attendance : Mr Chris LAI
Senior Council Secretary (2) 7

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Lump Sum Grant Subvention System

[LC Paper Nos. CB(2)146/07-08(01) to (03), CB(2)165/07-08(01) to (02) and CB(2)218/07-08(01) to (05)]

The Chairman said that the purpose of the meeting was to discuss the implementation of the Lump Sum Grant (LSG) subvention system, which had aroused grave concern in the welfare sector.

2. Director of Social Welfare (DSW) said that the LSG subvention system had been in operation smoothly since it was launched in January 2001, although there was still room for improvement. The Administration was aware of the difficulties faced by the subvented welfare sector operating under the LSG subvention mode, and had met with the sector to gauge their views and suggestions on how the LSG arrangements could be further improved. DSW advised that the financial problems faced by some non-governmental organisations (NGOs) on LSG were caused by a number of factors, including the Government's cost-saving initiatives, changing community needs and higher public expectation. DSW further said that the sector had made a number of proposals for enhancing the LSG system. These proposals or measures included –

- (a) conducting a comprehensive review of the LSG subvention system;
- (b) increasing the recurrent subvention baseline allocation; and
- (c) implementing interim measures to ease the financial problems faced by NGOs.

DSW added that these proposals were under consideration by the Administration. The LSG Steering Committee (LSGSC) would continue to be the platform for

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engagement with the sector to discuss the various proposals for enhancing the LSG subvention system.

Meeting with deputations

3. The Chairman welcomed the deputations to the meeting. The views of deputations are summarised below.

*Hong Kong Council of Social Service
[LC Paper No. CB(2)218/07-08(02)]*

4. Ms Christine FANG said that she spoke on behalf of the Hong Kong Council of Social Service (HKCSS), the Kwun Tong Methodist Social Service, the Evangelical Lutheran Church Hong Kong – Social Service, and the HKCSS Core Group on Lump Sum Grant (Agency Representative). She said that given the improving fiscal position of the Government, the Administration should honour its commitment to NGOs by providing recurrent subvention baseline allocation at the "True Benchmark", i.e. the level prior to the Enhanced Productivity Programme (EPP) and the Efficiency Savings (ES) adjustments. The Administration should increase the funding for contract services in the light of the increasing service demand. Moreover, the Administration should formulate a long-term development planning for social welfare. Ms FANG further said that it was the Administration's responsibility to provide sufficient funding to NGOs so that they could offer reasonable remuneration packages to attract and retain staff. She added that the Administration should enhance the transparency of the LSG provisions to NGOs and conduct a comprehensive review of the LSG subvention system.

*Dr AU Chor-fai
[LC Paper No. CB(2)146/07-08(03)]*

5. Dr AU Chor-fai said that the LSG subvention system had given rise to a number of problems in the sector. He pointed out that under the competitive bidding system which would grant service contracts to the lowest tender, NGOs were forced to place more emphasis on cost-saving measures than improving service quality. In the absence of a long-term development planning for social welfare, the NGO management was inclined to adopt a conservative financial management system and refrained from making long-term commitment in respect of staff planning. This explained the growth in the LSG Reserve owned by individual NGOs. Dr AU considered that while the LSG subvention system had brought about some benefits to the welfare sector, it also created problems which had yet to be solved.

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Hong Kong Chinese Civil Servants' Association, Social Work Officers Grade Branch

[LC Paper No. CB(2)218/07-08(01)]

6. Mr LEUNG Kin-hung said that following the introduction of the LSG subvention system, the Association observed that the staff turnover rates of NGOs were very high. This had adversely affected the continuity of welfare services and collaboration between NGOs and the Social Welfare Department (SWD). Mr LEUNG further said that the basis for calculating the LSG provisions should be made known to the sector. Consideration should also be given to setting up an independent authority to monitor the use of funding by NGOs on LSG.

Department of Social Sciences in Caritas Francis Hsu College (Unified States)

7. Mr WONG Cheuk-fai said that following the implementation of the LSG subvention system, some NGO operators had reduced the salaries of their staff to save costs. This had resulted in high staff turnover in NGOs and discouraged social work students from joining the subvented welfare sector. To provide more incentives for social work students to join the field after graduation, the Administration should provide sufficient funding to NGOs for improving the remuneration packages of their staff.

Caring NGOs

[LC Paper No. CB(2)218/07-08(05)]

8. Miss LAU Ka-mei said that the LSG subvention system had led to the problems of low staff morale and high staff turnover in NGOs. As a result, the service quality was seriously undermined. These problems could not be resolved simply by increasing the allocation of LSG subvention. The Administration should review the system, such as the corporate governance of NGOs, the pay structure and manning ratio of NGO staff, and the formula for calculating the lump sum.

Hong Kong Social Workers' General Union

[LC Paper No. CB(2)218/07-08(03)]

9. Mr CHEUNG Kwok-che expressed grave concern over the practice by some NGO management in withholding pay adjustment to staff notwithstanding the Administration having adjusted the annual LSG provisions to subvented NGOs in the light of the 2007 Starting Salaries Adjustments and the 2007-2008 Civil Service Pay Adjustment. Mr CHEUNG said that the Fight for Social Welfare Alliance (the Alliance) had put forward a proposal for the Administration's consideration. He highlighted the following main points made by the Alliance –

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- (a) to divide the LSG into two components, i.e. personal emoluments (PE) and other charges (OC). The allocation for the PE portion was to be made on an actual reimbursement basis, and the OC portion was to be allocated to NGOs in a lump sum for flexible use;
- (b) to formulate staffing establishment for each service and allocate the PE subvention with reference to the staffing establishment and the prevailing civil service pay scale; and
- (c) to enhance corporate governance by appointing staff representatives and service users to the management boards of NGOs.

*Staff Union of the Mental Health Association of Hong Kong
[LC Paper No. CB(2)146/07-08(02)]*

10. While expressing support for the new initiative announced in the 2007-2008 Policy Address to study social welfare development through the Social Welfare Advisory Committee (SWAC), Mr CHEUNG Chor-kin raised concern about the representativeness and transparency of the Committee. He said that the membership of SWAC should be broadened to include representatives from the Government, academics, NGO management and staff and service users. The Committee papers should also be made available to the public. Mr CHEUNG added that a Green Paper should be published to seek public views on the long-term development planning for social welfare.

(Post-meeting note : The Administration advised that apart from Government officials in attendance, SWAC comprised members from legal, academic, business, medical, NGO and welfare trade union background. Minutes of SWAC meetings were available to the public on the website of the Labour and Welfare Bureau.)

*Hong Kong Social Workers Association
[LC Paper No. CB(2)218/07-08(04)]*

11. Mr CHUA Hoi-wai introduced the Hong Kong Social Workers Association's submission which urged the Administration to –

- (a) honour its commitment to NGOs by returning the 9.3% deducted from their annual LSG provisions over the years as a result of EPP and ES;
- (b) conduct a comprehensive review of the LSG subvention system; and

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- (c) review the subvention allocation for service units newly allocated to NGOs after the year 2000 to bring the PE allocation up to the mid-point provision of the recognized staffing establishment. The sector should be involved in reviewing the subvention allocation levels.

Other deputations attending the meeting

12. Representatives of the following deputations concurred with the views of the above deputations and had nothing to add –

- (a) Union of HK Rehabilitation Agencies Workshop Instructor;
- (b) Staff Association of Hong Kong Young Women Christian Association;
- (c) Stewards Staff Union (Social Service Branch)
[LC Paper No. CB(2)165/07-08(01)];
- (d) The Boys' and Girls' Clubs Association of Hong Kong Staff Club;
- (e) Staff Association of The Hong Kong Federation of Youth Groups;
- (f) Fight for Social Welfare Alliance;
- (g) Social Welfare Organizations Employees Union;
- (h) Hong Kong Confederation of Trade Unions Committee of Public Services
[LC Paper No. CB(2)165/07-08(02)];
- (i) Community Care and Nursing Home Workers General Union;
- (j) Hong Kong Federation of Social Work Students;
- (k) Chung Shak-hei (Cheung Chau) Home for the Aged, Ltd. Employees General Union; and
- (l) Frontline Welfare Employee Union.

13. Responding to the views and suggestions raised by the deputations, DSW made the following points –

- (a) under the LSG subvention system, NGOs were given greater autonomy and flexibility to deploy resources and re-engineer their

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services to meet the requirements of the Funding and Service Agreements as well as the changing social needs in a timely manner;

- (b) the LSG subvention system was widely accepted by NGOs and had brought about significant benefits and enhancement to the welfare sector;
- (c) as resources were finite, there was a need to place emphasis on the effective use of public resources and to meet changing community needs. The Administration would continue to improve the LSG arrangements and offer assistance to NGOs as appropriate within the framework of the established policy;
- (d) while there was concern about the mid-point allocation being inadequate to meet the salaries of NGO staff in the face of the growing maturity of the work force of the sector, it should be noted that the actual PE expenditure had not exceeded the mid-point provision in the past years. Although there was room for improving the LSG subvention system, the major challenge faced by the sector was the optimal deployment of resources in the light of changing service demand;
- (e) in allocating new subvented services, SWD would issue letters to individual NGOs on LSG which set out, among others, the breakdown of the annual LSG provision, including the provisions for PE;
- (f) the Administration had urged NGOs to enhance corporate governance to address the grievances of their staff over employment terms and practices; and
- (g) the Administration had introduced the Tide-over Grant (TOG) and the Special One-off Grant (SOG) Schemes to assist NGOs to cope with their financial difficulties and to honour contractual commitments to their Snapshot Staff during the transitional period. NGOs were also allowed to retain more than 25% of their allocations as LSG Reserve for three years from 2004-2005 to 2006-2007 for implementing voluntary retirement schemes for their staff and other purposes in the light of their unique staffing and financial situations. The total LSG Reserve of subvented NGOs was currently in the region of \$1.8 billion.

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Discussion

Impact of the LSG subvention system on the welfare sector

14. The Chairman disagreed that the LSG subvention system had encouraged flexible deployment of resources for better service delivery. In his view, under the competitive bidding arrangement, NGOs played the role of contractors, instead of the Government's partners, for service delivery.

15. Dr YEUNG Sum expressed doubt about the claim made by the Administration that the LSG subvention system had brought about significant benefits and enhancements. Dr YEUNG Sum and Mr LEE Cheuk-yan expressed concern that NGOs were given too much flexibility in determining the staff establishment and remuneration. Mr LEE added that as pointed out by some deputations, some NGOs had replaced their Snapshot Staff with less experienced ones and appointed on less favourable contract terms. The LSG subvention system had forced NGO operators to become unscrupulous employers in order to attain financial viability.

16. Dr KWOK Ka-ki said that after the introduction of the LSG subvention system and competitive bidding for contract services, NGOs had placed more emphasis on cost savings rather than quality of service. Having regard to the fundamental problems in the system, Dr KWOK took the view that the LSG subvention system should be scrapped.

17. DSW disagreed with the view that the LSG subvention system had forced NGO operators to become unscrupulous employers. He pointed out that under the conventional subvention system, both SWD and NGOs had devoted substantial resources to administrative work on NGOs' applications for the staff recruitment of recognized posts. Overseas experience showed that subvention for welfare services was increasingly provided in the form of LSG. DSW stressed that the Administration believed that the LSG subvention system was the best vehicle to achieve the cost-effective use of public resources, although there was room for improvement. He added that on top of Government assistance, NGOs on LSG could consider new income sources, such as fund-raising, to tackle their financial problems.

18. Mr LEUNG Kwok-hung disagreed with the Administration that the LSG subvention system had been operating smoothly. He said that the operation of the system relied largely on the good governance of the NGO management concerned. However, the NGO operators were forced to become unscrupulous employers and organise profitable activities only in order to attain financial viability. He was of the view that overseas experience in social welfare subvention might not be readily applicable to Hong Kong.

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19. Mrs Sophie LEUNG pointed out that the adoption of flexible pay structure and the phenomenon of rapid staff turnover were not unique to the welfare sector. Recognising that the LSG subvention system had brought about benefits and enhancements to the subvented welfare sector, such as greater flexibility in deployment of resources, Mrs LEUNG considered that the Administration should improve the system, instead of aborting the entire LSG subvention system. To address the grievances of the welfare sector, Mrs LEUNG sought the Administration's response to HKCSS's proposals to increase the recurrent subvention baseline allocation to the "True Benchmark" and formulate a long-term development planning for social welfare. In her view, the Administration should enhance corporate governance training for NGO management so that they could improve communication with staff and address their grievances over employment terms. In addition, tackling NGOs' financial difficulties through fund-raising merited further consideration by both NGOs and the Administration.

20. Mr Albert CHAN expressed grave dissatisfaction at the Administration's reluctance to adjust upwards the annual LSG provisions to NGOs by 9.3%, i.e. the level prior to the implementation of EPP and ES, given the improving fiscal position of the Government. Mr CHAN said that should the Administration fail to accede to the deputations' requests, he would consider voting against the Appropriation Bill 2008. DSW explained that after the implementation of the LSG subvention system, the salary structures of NGO staff had been delinked from those of the civil service, and NGOs had flexibility in determining the staff remuneration.

21. Mr Frederick FUNG said that given the improving fiscal position of the Government, the Administration should return the 9.3% deducted from annual LSG provisions to NGOs as a result of EPP and ES.

22. DSW advised that EPP and ES were across-the-board exercises in the whole public sector, including Government departments and subvented bodies. He said that the request to increase the subvention baseline was raised at the LSGSC meetings and was under consideration by the Administration.

23. As regards Mr Albert CHAN's request for information on the average starting salary levels of subvented NGO staff and their corresponding civil service grades after the implementation of the LSG subvention system, DSW advised that he did not have the information in hand, and would provide them after the meeting.

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Monitoring of the use of the LSG subvention

24. Mr LEE Cheuk-yan, Dr KWOK Ka-ki, Ms LI Fung-ying, and Mr Frederick FUNG expressed concern that although the Administration had

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adjusted the LSG provisions to NGOs in the light of the 2007 Starting Salaries Adjustments and the 2007-2008 Civil Service Pay Adjustment, the management of some NGOs had not made corresponding upward adjustments to the salaries of their staff. They strongly urged the Administration to address the problem. Mr Frederick FUNG considered that the Administration should make clear to NGOs that they should use the additional allocation only for adjusting the salaries of their staff. The Chairman added that to his understanding, some NGO staff were provided with bonus or an one-off payment in lieu of an annual pay adjustment.

25. DSW responded that the Administration had provided NGOs with additional recurrent resources of \$330 million as a result of the 2007 Starting Salaries Adjustments and the 2007-2008 Civil Service Pay Adjustment. SWD had stressed to NGOs concerned that they were expected to use it for the purpose of adjusting the pay of their subvented staff. It would be a matter for individual NGOs to work out the detailed arrangements.

26. Ms LI Fung-ying and the Chairman remained dissatisfied at the Administration's response. They urged the Administration to take concrete actions to ensure that NGOs would spend the additional subvention on adjusting the salaries of their staff.

27. DSW stressed that notwithstanding that NGOs on LSG had complete flexibility in determining the deployment of resources and most NGOs practised good corporate governance, the Administration had put in place a mechanism to ensure that the LSG was spent in the most cost-effective manner and for the intended purposes.

28. The Chairman and Mr CHEUNG Kwok-che of the Hong Kong Social Workers' General Union enquired about the pay adjustment arrangements for NGO staff who had left the organizations before the annual pay adjustment took effect, before and after the implementation of the LSG subvention system.

29. Assistant Director of Social Welfare (Subventions) (ADSW(S)) said that to her understanding, under the conventional social welfare subvention system, NGOs would not automatically give retrospective payment of salary increments to NGO staff who had left the organisations before the annual pay adjustment took effect for the period between the effective date of pay adjustment and the last date of service. After the implementation of the LSG subvention system, it would be for individual NGOs to determine the remuneration of their staff. ADSW(S) said that the Administration would provide information after the meeting on pay adjustment arrangements for NGO staff who had left the NGO concerned before the annual pay adjustment took effect, before and after the implementation of the LSG subvention system.

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30. Ms Christine FANG of HKCSS said that NGOs had difficulties in implementing the pay adjustment at the present stage as the current subvention provisions had taken into account the EPP and ES adjustments. Some NGOs could only withhold the adjustments, pending the Government's approval of the interim and long-term facilitating measures being considered by LSGSC. Some other NGOs had made use of their own reserve to make the salary adjustments for the staff. Ms FANG said that in the absence of a long-term planning for welfare services, it would be difficult for NGOs to make financial projections for the salary adjustments of their staff. She disagreed with the Administration's proposal for NGOs to increase income by fund-raising, as it was the Administration's responsibility to provide sufficient funding to NGOs for the delivery of welfare services. She also urged the Administration to enhance the transparency of the calculation basis in determining the LSG subvention.

31. Mr Samuel NGAI of the Evangelical Lutheran Church Hong Kong – Social Service said that it was unfair to blame NGO management for not using the LSG Reserve to make salary adjustments for their staff. He pointed out that the purpose of having a LSG Reserve was to allow individual NGOs to meet their commitments for paying salary increments to the Snapshot Staff. That said, given the reduced subvention as a result of EPP and ES, many NGOs had already made use of their own LSG Reserve to carry out the adjustments. Mr NGAI considered that the Administration should increase the LSG provisions to NGOs, especially for the supervisory posts, to improve the service quality and the promotion prospects of staff. Ms Christine FANG of HKCSS added that individual NGOs would also use the LSG Reserve to cope with their unique staffing and financial situations.

32. Mr TSE Sai-ki of the Staff Association of the Hong Kong Young Women Christian Association added that under the LSG subvention system, the benchmark salary of each NGO was determined on the basis of the mid-point salaries of approved posts as at 1 April 2000. The so called mid-point salaries were actually the maximum salaries currently payable to NGO staff. He strongly urged the Administration to consider seriously the proposal made by the Alliance for enhancing the subvention system.

33. Mr Frederick FUNG said that if NGOs had used up their LSG Reserve, it would be the Administration's responsibility to provide financial assistance for NGOs to honour their contractual commitments to the Snapshot Staff.

34. DSW stressed that TOG had been introduced to ease the financial difficulties faced by NGOs in meeting their commitments in terms of paying salary increments to the Snapshot Staff during the transitional period. The provision of SOG was meant to give greater flexibility to and more time for the NGO management to make the necessary adjustments to meet their financial and/or staff commitments in the long run.

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Review of the LSG subvention system

35. In the light of the strong views from NGO staff, Dr YEUNG Sum considered that an independent and broadly represented committee, including the small and medium-sized NGOs, NGO staff and service users, should be set up to conduct a comprehensive review on the LSG subvention system. He said that the Administration should maintain an open mind on the proposals put forward by the sector and report the review findings to the Panel. Ms LI Fung-ying echoed Dr YEUNG's view.

36. DSW responded that he had met with representatives of the sector concerning the arrangements of the LSG subvention system. The LSGSC would continue to be the platform for engagement with the sector. As LSGSC comprised a wide spectrum of views, including the Government, NGO management and staff, staff unions as well as service users, the Administration did not see the need for setting up a new committee to review the LSG subvention system right away. DSW assured members that the Administration would maintain an open mind on any proposals for enhancing the LSG system, and would be happy to provide the Panel with the discussion papers of LSGSC.

37. Responding to the Chairman's enquiry about the membership of LSGSC, ADSW(S) said that apart from the ex-officio members, the Committee comprised seven representatives from NGO management, five from NGO staff/staff unions, and two users' representatives.

38. Mr LEE Cheuk-yan expressed reservations about the usefulness of conducting a review on the LSG subvention system, as the Administration had taken the view that the system had brought about significant benefits and improvements would only be made within the established policy. Having regard to strong opposing views raised by the sector, Mr LEE reiterated that the LSG subvention system should be aborted.

39. Ms LI Fung-ying pointed out that the LSG subvention system had led to poor staff morale in the welfare sector and undermined the working relation between NGO management and staff. She said that the Administration should conduct a review of the implementation of the system and identify areas of improvement.

40. Ms Christine FANG of HKCSS shared the view that an independent committee should be set up to review the LSG subvention system and suggested that a complaint mechanism should be formed under LSGSC to handle staff grievances.

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41. Mr YAM Kwok-tung of the Fight for Social Welfare Alliance urged the Administration to accede to the welfare sector's repeated requests for conducting a comprehensive review of the LSG subvention system. Miss TANG Yin-ping of The Boys' & Girls' Clubs Association of Hong Kong Staff Club echoed the request made by the Alliance and supplemented that the review should be led by the Financial Secretary. She added that the Administration should implement interim measures to ease the problems faced by NGOs before the subvention baseline could be increased. Mr CHUA Hoi-wai of the Hong Kong Social Workers Association pointed out that there was an imminent need for conducting a review of the subvention arrangement as SOG would cease in the next year.

(Post-meeting note : The Administration advised that NGOs could use the provision of SOG for a number of years and extended beyond next year according to the implementation plans of NGOs.)

42. Mr Albert CHAN expressed reservations about the setting up of another committee to review the LSG subvention system, as the committee members would be appointed and strongly influenced by the Government. Mr CHAN said that given the improving Government reserve, the Administration should consider reverting to the conventional social welfare subvention system.

43. The Chairman expressed dissatisfaction at the Administration's refusal to set up an independent committee to review the LSG subvention system, despite the fact that deputations had made a strong call for such a review. The Chairman and Mr Frederick FUNG strongly urged the Administration to provide a concrete timetable for the review.

44. DSW responded that the Administration was considering the various proposals for enhancing the LSG system from the welfare sector, and would further discuss the proposals at the next meeting of LSGSC. He said that the Administration would make the best endeavours to expedite the review of the LSG subvention system.

Way forward

45. To facilitate members' future discussion, Mr Albert CHAN suggested that the Research and Library Services Division of the Legislative Council Secretariat be requested to prepare an information note on the impact of the implementation of the LSG subvention system on the subvented welfare sector. Members agreed.

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II. Any other business

46. There being no other business, the meeting ended at 1:06 pm.

Council Business Division 2
Legislative Council Secretariat
28 January 2008