

立法會
Legislative Council

LC Paper No. CB(2)1230/08-09
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 9 March 2009, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon Albert CHAN Wai-yip (Chairman)
Hon CHEUNG Kwok-che (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Hon WONG Sing-chi

Members absent : Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Kwok-kin, BBS

Member attending : Hon IP Wai-ming, MH

Public Officers attending : Items IV to VI
Mr Stephen Fisher, JP
Director of Social Welfare

Item IV

Mrs Anna MAK
Assistant Director of Social Welfare
(Family and Child Welfare)

Dr Sandra TSANG
Head of the Department of Social Work and Social
Administration, the University of Hong Kong /
Team Leader of the Consultant Team for the Review on
the Implementation of the IFSC Service Mode

Dr Caroline YEUNG
Research Officer of the Department of Social Work and
Social Administration, the University of Hong Kong /
Project Coordinator of the Consultant Team for the Review
on the Implementation of the IFSC Service Mode

Items V and VI

Miss Ann HON
Assistant Director of Social Welfare (Subventions)

Item V

Ms Wendy FUNG
Social Work Officer (Subventions)1

**Deputations
by invitation** : Item IV

Department of Applied Social Sciences,
The Hong Kong Polytechnic University

Dr William CHU Chi-keung

Mr Ivan YAU Tat-yu

The Hong Kong Council of Social Service

Mr Moses MUI
Chief Officer, Service Development (Family and Community)

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

Mr LEUNG Kin-hung
Chairman

Mr CHEUNG Kam-ki
Vice-Chairman

Hong Kong Social Workers' General Union

Miss CHAN Wai-ling
Representative

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

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

Miss Florence WONG
Senior Council Secretary (2) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Confirmation of minutes

[LC Paper Nos. CB(2)931/08-09 and CB(2)977/08-09]

The minutes of the meetings held on 19 December 2008 and 9 February 2009 were confirmed.

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

2. Members noted that no information papers had been issued since the last meeting.

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III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)978/08-09(01) and (02)]

3. Members agreed to discuss the Community Investment and Inclusion Fund proposed by the Administration at the next meeting to be held on 16 April 2009 at 10:45 am.

4. The Chairman said that the Panel would receive views from service providers under agenda item IV at the meeting. He referred members to a letter submitted by a deputation requesting the Panel to further receive views from service users and other user organisations on the implementation of the Integrated Family Service Centre (IFSC) service mode at a future meeting. The Chairman invited members' views on the request.

5. Referring to item 16 of the Panel's list of outstanding items for discussion, Mr CHEUNG Kwok-che said that the Panel should give priority to discuss at the next meeting the support services for street sleepers in the light of the upsurge in the number of street sleepers amid the financial tsunami.

6. Members agreed to discuss the support services for street sleepers at the next meeting. Members further agreed that the Panel would receive views from deputations on the implementation of IFSC service mode at the May meeting.

7. Mr WONG Sing-chi raised concern about the youth drug abuse problems and suggested holding a joint meeting with the Panel on Security on the support services for the young drug abusers and their families. Members agreed that the issue be included in the Panel's list of outstanding items for discussion and that a joint meeting with the Panel on Security could be held, if necessary.

IV. Implementation of the Integrated Family Service Centres service mode

[LC Paper Nos. CB(2)978/08-09(03) to (04), CB(2)1008/08-09(01) and CB(2)1049/08-09(01) to (03)]

8. The Chairman welcomed the deputations to the meeting. He informed the meeting that the Panel had just scheduled tentatively to further discuss and receive views from service users on the implementation of IFSC service mode in May 2009.

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Meeting with deputations

Department of Applied Social Sciences, the Hong Kong Polytechnic University

9. Mr Ivan YAU briefed members on the findings of a study conducted by the Hong Kong Polytechnic University (PolyU) on frontline social workers' views on the IFSC service mode. He said that a total of 142 frontline staff had completed the questionnaires and the majority views of the respondents were summarized as follows –

- (a) the service concept of the IFSC service mode was sound though difficulties were encountered by frontline social workers in the course of implementation;
- (b) social workers in IFSCs were required to vet and approve requests for social resources, and thereby resulting in confrontation between IFSC staff and service users;
- (c) the community had unrealistic expectations towards the functions of IFSCs;
- (d) the priority areas of IFSCs should be reviewed as IFSCs did not have adequate capacity to perform the preventive and developmental services;
- (e) IFSCs should not be expected to fill service gaps which were not being covered by other government departments or service units; and
- (f) the existing manpower provision was insufficient for IFSCs to meet the performance pledge.

10. Having analysed the consolidated survey results, Mr YAU said that the following recommendations were made –

- (a) requests for social resources should be vetted and approved by professional staff other than social workers so as to enable the latter to dedicate their services for high-risk families;
- (b) staff establishment of individual IFSCs should be adjusted in the light of changing social needs of individual community; and
- (c) designated staff should be assigned to provide preventive and developmental services.

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11. Dr William CHU added that IFSCs were the key players of the frontline social service teams which provided preventive and support services for the vulnerable and high-risk families. However, staff in IFSCs were required to vet and approve requests for social resources, which might not necessarily be made by high-risk families.

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

[LC Paper No. CB(2)1049/08-09(01)]

12. Mr LEUNG Kin-hung presented the views of the Hong Kong Chinese Civil Servants' Association, Social Work Officer Grade Branch as detailed in the submission. The Association was very concerned about the tremendous pressure faced by social workers working in IFSCs. Mr LEUNG said that social workers of IFSCs operated by the Social Welfare Department (SWD) handled on average 95 to 100 cases annually, as compared to over 80 cases handled by IFSCs operated by non-governmental organisations (NGOs); and the caseload had increased drastically in the past three years. This apart, social workers of IFSCs operated by SWD were required to vet and approve requests for social resources as well as perform statutory roles. Under the present staff establishment of IFSCs, there was insufficient manpower to cope with the increasing service demands, not to mention meeting the specific needs of single parents.

13. As regards the review on the implementation of the IFSC service mode being carried out by the University of Hong Kong (HKU), Mr LEUNG said that the Association casted doubt on the independency and impartiality of the review as it was funded by the Administration.

Hong Kong Social Workers' General Union

14. Miss CHAN Wai-ling expressed grave concern about the stress faced by the frontline social workers as they had been overloaded. Social workers of IFSCs were required to provide a wide range of services in meeting the multifarious needs of individuals and families of the community. In addition to the remedial services provided to the at-risk families, social workers were required to handle different kinds of referrals and applications related to requests for social resources. It was unfair to expect social workers of IFSCs to provide all-rounded services to meet different needs of the community. Miss CHAN added that service users and stakeholders in the community had high expectation, and sometimes unrealistic expectation, for the service of IFSCs. Social workers of IFSCs were sometimes torn between the division of responsibilities in respect of IFSCs and other welfare service units.

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*The Hong Kong Council of Social Service
[LC Paper No. CB(2)1008/08-09(01)]*

15. Mr Moses MUI presented the views of the Hong Kong Council of Social Service (HKCSS) as detailed in the submission. He highlighted that although IFSCs were tasked to provide a continuum of services with preventive, supportive, developmental and remedial functions, according to the data collected from 21 IFSCs run by NGOs, about 75% of the caseload were casework nature. IFSCs were unable to achieve their functions under the current service mode. In view of the imminent need to respond promptly to family crisis and provide preventive services, HKCSS made the following recommendations –

- (a) to adjust the population-to-IFSC ratio to one IFSC from serving 100 000 to 120 000 people to some 80 000 to 90 000 people;
- (b) to allocate additional resources for preventive and developmental functions so as to the strengthen support services for parents, prevent family problems and enhance resilience of families towards adversities; and
- (c) to establish a mechanism for conducting regular review on service direction in the light of changing service needs whereby allocation of resources in providing preventive, supportive and remedial services could be planned in a holistic manner.

16. Director of Social Welfare (DSW) said that the Administration was fully aware of the concerns raised by frontline social workers on the IFSC service mode. Upon the introduction of the new model, understandably both management and frontline staff of IFSCs needed time to adjust to the substantial changes under the new model. DSW further said that the results of the previous review of family welfare services showed that the current policy to offer integrated family service via the platform of IFSCs could provide more comprehensive and accessible services to families in need. The Administration would continue with the IFSC service mode, although improvements could be made to refine the mode. As such, SWD had commissioned HKU to conduct a review on the implementation of the IFSC service mode.

17. On the concern about the work pressure faced by frontline social workers, DSW said that additional resources had been allocated for IFSCs over the past few years. However, should there be proven need, SWD would continue to bid for new resources under the established mechanism. On the other hand, social workers might critically examine the cases in hand to see if any of them could be closed.

18. Mr WONG Sing-chi expressed disappointment at DSW's remarks as this

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reflected the Administration's mistrust of frontline social workers' concern about the heavy workload. He appealed to the Administration maintaining an open mind in collating views from frontline staff. He pointed out that social workers of IFSCs were required to perform extra duties, but their efforts were sometimes in vain. For instance, social workers were required to make recommendations in respect of applications for rehousing arrangement. To his knowledge, the Housing Department (HD) would however not take into account the recommendations. DSW said that under normal circumstances, HD would accept recommendations made by social workers on compassionate rehousing arrangement. The Chairman echoed Mr WONG Sing-chi's views and said that the issue could be followed up at a future meeting, if necessary.

19. Mr WONG Sing-chi said that upon the launching of the new IFSC service mode, a bottom-up approach was adopted with emphasis laid on providing a continuum of preventive, supporting and remedial services. Given that the majority of the IFSC resources were being deployed for casework, it was an opportune time for the Administration to review the staff establishment of IFSCs to ensure that sufficient manpower was available to provide preventive and developmental services and whether additional resources to IFSCs were required.

20. Mr WONG Kwok-hing said that the study of PolyU on the views of IFSCs frontline staff provided useful reference on what improvements could be made to refine the service mode. Noting that the review being conducted by HKU was expected to be completed by the end of 2009, he questioned whether the Administration would take forward the recommendations of PolyU's study if they were different from those contained in the study report of HKU which was commissioned by the Administration.

21. DSW responded that the Administration noted that PolyU had conducted a study on frontline staff's views and made a number of recommendations on the IFSC service mode. He drew members' attention that the focus of the PolyU's study was on the views of frontline workers who were one of the key stakeholder groups of IFSCs. As he had pointed out earlier, the Administration was aware of the concerns raised by frontline social workers and staff unions about the operation mode through various communication channels, which were consistent with the views collected by the study of PolyU. As regards the review commissioned by SWD, DSW said that the HKU Consultant Team would gather views on the implementation of the IFSC service mode from all relevant stakeholders, including service users, frontline staff, service supervisors, administrators, staff unions, other government departments and so on. The review was expected to be completed by end of 2009.

22. Mr LEUNG Yiu-chung expressed regret that SWD had taken no concrete actions to address the concerns repeatedly raised by frontline staff in the past two years. He asked whether the Administration would consider providing

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additional resources to IFSCs pending the completion of the review underway. Mr LEUNG Kwok-hung expressed similar views. Mr LEUNG Yiu-chung also expressed concern whether the specific service provided by Single Parent Centres and Post-migration Centres could be completely replaced by services provided by IFSCs.

23. DSW said that although the Administration considered the IFSCs delivery effective, he agreed that improvements could be made to further refine the mode. The Administration maintained an open-minded on the issue and would discuss with the frontline staff to enhance the effective delivery of IFSC services.

24. Mr LEE Cheuk-yan did not object to the service concept of IFSCs in providing a continuum of services to individuals and families in the community if sufficient resources were allocated for the purpose. He pointed out that the crux of the problem was insufficient manpower in meeting the community needs taking into account that each IFSC was serving a boundary with a population of 100 000 to 150 000 and each social worker was required to handle 80 to 100 cases annually. He enquired if the Administration had any plan to set workload indicators for social workers working in IFSCs and review the parameters for each IFSC.

25. DSW agreed that frontline staff should not be overloaded. They should discuss the problems with their supervisors on the one hand, and on the other hand, the staff concerned could examine if some of the cases could be closed. It was not advisable to set a ratio of caseload to each social worker in view that IFSC was to provide a continuum services in addressing the multifarious needs of individual and families residing in a designated boundary.

26. Mr Albert HO was of the view that the decision on whether cases should be closed should be a matter of professional judgement of the responsible social workers. Mr WONG Sing-chi and Mr IP Wai-ming expressed similar views. In the absence of workload indicators, Mr HO questioned under what basis could individual frontline social workers raised with their supervisors that they were overloaded and how the IFSCs concerned could turn away the service users.

27. DSW said that in the light of the resources constraint, IFSCs might examine the deployment of resources by, say, organising support groups for specific targets instead of just providing personal support services. DSW further said that the District Social Welfare Officer could deploy the resources within the district to respond to the changing social needs as appropriate.

28. Mr CHEUNG Kwok-che raised no objection to the implementation of the IFSC service mode. However, the issues of concern raised by frontline staff in IFSCs were resulted from a lack of adequate resources to meet the ever rising workload. To address the problems, Mr CHEUNG suggested that consideration

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be given to setting up a central reserve of social workers who would be deployed to specific IFSCs for a period of three years, and redeployment of the staff concerned would be determined according to the service demands in individual districts. DSW cautioned that careful consideration should be given to the suggestion from the human resource management perspective, especially the difficulties arising from redeployment of staff to another IFSCs.

29. Mr CHEUNG Kwok-che hoped that the Consultant Team would address the following issues in the review underway –

- (a) whether the population size currently served by each IFSC was reasonable;
- (b) whether the staff establishment of IFSCs was adequate to meet the community needs and whether senior practitioners should be provided to handle complicated and high-risk cases;
- (c) whether the conditions stipulated in the relevant Funding and Service Agreements (FSAs) could meet the social needs;
- (d) the issue of poor staff morale; and
- (e) the issue of performing non-professional duties by social workers.

30. Noting that the adoption of a new service delivery model of IFSC was recommended in the study report entitled "Meeting the Challenge : Strengthening Families" submitted by HKU in 2001, Mr Alan LEONG appreciated that the Consultant Team would conduct an independent review on the existing practice and service provision of IFSCs. He noted with concern that no representatives of frontline staff of IFSCs were included in the Steering Committee to monitor the review. Mr LEONG also sought information on use of a mix of quantitative and qualitative data in the work of the Consultant Team.

31. Assistant Director of Social Welfare (Family and Child Welfare) responded that a Steering Committee was set up to advise on the direction of the review, monitor its progress and examine and accept the review report to be submitted by the HKU Consultant Team. A Working Group comprising, among others, centre staff was also formed to facilitate the work of the Consultant Team, including to provide information on the existing practice and service of IFSCs. She added that the Steering Committee was aware of views on the implementation of the IFSC service mode from relevant stakeholders, including frontline staff.

32. Mr Ronny TONG considered it unacceptable for each social worker in IFSCs to handle some 80 to 100 cases, which was much higher than the

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international standard at about some 20 to 30 cases per social worker. While the concept of IFSC service mode was sound, he considered that problems had been arisen in the course of implementation due to a mismatch of resources. Given that the demand for IFSC services was on the rising trend, he urged the Administration to allocate additional resources to IFSCs.

33. The Chairman recalled that the implementation of IFSCs aimed to, among other things, strengthen families through a family-focused and community-based approach, with emphasis laid on establishing partnership and community network in service delivery. He pointed out that IFSCs, with the exception of the integrated services projects in Tung Chung, had yet to provide a continuum service in meeting the various needs of families and building community network having regard to the fact that elderly services were not provided by IFSCs. This also resulted in the problem of resources overlapping in the community. In his view, the review should also examine the effectiveness of IFSC services in establishing community network and preventing family problems. To enhance the service delivery of IFSCs, the Chairman considered that social workers in IFSCs run by NGOs should be empowered to perform the statutory roles as their counterparts in SWD such that IFSCs operated by NGOs could provide full services. To facilitate community network building, the designated geographical boundary of an IFSC should be reduced to a population of 30 000 to 50 000.

34. At the invitation of the Chairman, Dr Sandra TSANG of HKU Consultancy Team made the following points –

- (a) as the introduction of IFSC service mode was premised on the recommendations of a review conducted by HKU in 2001, it was understandable that the stakeholders were concerned about the impartiality of the review underway. The HKU Consultant Team was committed to conducting an objective and comprehensive review on the implementation of the service mode of IFSCs, in particular, to find out whether and to what extent the IFSC service mode had achieved its service objective, and what improvement measures were needed to further refine the mode;
- (b) the Consultant Team would also identify factors facilitating/hindering the effective delivery of IFSC services as well as ways to enhance strategic partnership, inter-departmental collaboration and interfacing with other services;
- (c) where areas of improvement involved resources implications, analysis and recommendations on resources allocation or deployment would be made;

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- (d) as detailed in paragraphs 8 and 9 of the Administration's paper, the evaluation technique employed by the HKU Consultant Team had a practical and problem-solving orientation. The review would make use of a mix of quantitative and qualitative data derived from a variety of sources and stakeholders, such as reports from all 61 IFSCs, user surveys and case studies. In addition, the Consultant Team had conducted various meetings and briefings to consult stakeholders, including staff unions. The team had commenced work on data collection and set up a webpage for the review to collect views from different stakeholders. The Consultant Team would make reference to the PolyU's study report; and
- (e) during the discussions with stakeholders on various occasions, the Consultant Team was advised that the management of SWD and NGO IFSCs would take improvement measures as far as practicable without the need to wait for the completion of the review.

35. In summing up, the Chairman said that the Panel would further discuss and receive views from IFSC service users on the subject matter in May 2009.

V. Partnership Fund for the Disadvantaged

[LC Paper Nos. CB(2)978/08-09(05) and (06)]

36. DSW updated members on the position of the Partnership Fund for the Disadvantaged (PFD) as detailed in the Administration's paper. He then drew members' attention to the introduction of a special measure in the Fifth Round of applications to assist vulnerable individuals or families affected by the recent financial crisis. He said that the maximum amount of PFD grant had been raised to \$3 million per project for projects which could strengthen support for these individuals or families such as those providing employment assistance, counselling or professional support on financial management, etc. With the business partners' contribution, the budget for such project could reach \$6 million each.

VI. Salary adjustment arrangements for staff in non-governmental organisations subvented under the Lump Sum Grant Subvention System

[LC Paper Nos. LS42/08-09, CB(2)560/08-09(06), CB(2)765/08-09(04) and CB(2)978/08-09(07)]

37. The Chairman said that following the discussion at the meeting on 12

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January 2009 on salary adjustments for staff in NGOs under the Lump Sum Grant Subvention System (LSGSS), the Legal Service Division of the Legislative Council Secretariat, at the Panel's request, had prepared a paper on the use of additional subvention to NGOs for the 2008-2009 salary adjustment (LC Paper No. LS42/08-09).

38. Mr WONG Kwok-hing was concerned about the Administration's follow-up actions in respect of the complaint about the use of additional subventions relating to the 2008-2009 salary adjustment by 19 subvented NGOs. He said that members were given to understand that the additional subventions to subvented NGOs were approved by the Finance Committee (FC) in July 2008 as part of the civil service pay adjustment, and thereby should be used for the sole purpose of the increase of salary for NGO staff. He asked about the remedial measures to be taken by the Administration to ensure that NGOs which had received the supplementary subvention would only use the additional subventions for the designated purpose of salary adjustment, and whether SWD would claw back any unused balance of the additional subvention amounts.

39. DSW responded that information obtained from the 19 subvented NGOs concerned revealed that all of them had made salary adjustments to their staff in 2008-2009 in line with the prevailing human resources management policies and procedures of the respective NGOs but the adjustment mechanisms were not the same as that of the civil service. DSW pointed out that under the LSGSS, subvented NGOs could exercise their own governance and had flexibility in determining their own staffing structures and remuneration levels and in deploying their LSG for staff expenses. He stressed that since the implementation of LSGSS, salary structures of staff in subvented NGOs had been delinked from those of the civil service and NGOs had autonomy to devise and implement their own human resource policies. NGOs concerned were encouraged to spend the supplementary subvention on adjusting the salary of their staff.

40. DSW further said that in its Review Report, the LSG Independent Review Committee (IRC) recommended that a Best Practice Manual for NGOs on various management issues such as human resource policies should be developed by the welfare sector. SWD was taking forward the recommendation, and expected that the Lump Sum Grant Steering Committee (LSGSC) would be reconstituted in about two months. He would convey the concerns on the use of additional subventions to the reconstituted LSGSC for consideration.

41. Mr Frederick FUNG took the view that the Administration had misled members in the FC paper if NGOs could use the additional subventions for purposes other than pay adjustment, as the funding proposal was part of the 2008-2009 Civil Service Pay Adjustment.

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42. DSW cited the FC paper on the 2008-2009 Civil Service Pay Adjustment and advised that the Administration had informed members that the Government was generally not involved in the determination of the pay or pay adjustment of staff in subvented organisations. That said, it had been the established practice that following a civil service pay adjustment, the Government would make corresponding variations to the annual subventions for those organisations with funding price-adjusted on the basis of formulae including a factor of civil service pay adjustment. DSW further advised that as the Administration had explained on various occasions, subvented NGOs had the flexibility to deploy their LSG in accordance with the FSAs. The NGOs concerned had not deviated from the rules of the LSGSS if the salary adjustment policies had been endorsed by their governing boards in accordance with the respective NGOs' constitutions or prevailing internal guidelines and were not inconsistent with the terms and conditions of the employment agreements or contracts of individual staff members.

43. The Chairman was of the view that it was clear from the outset that the purpose of the additional subventions was for salary adjustment. He saw no reasons why NGOs concerned were allowed to use the additional subvention amounts for purposes other than pay adjustment.

44. Mr LEE Cheuk-yan held the view that the purpose of the funding proposal was to provide additional subventions to NGOs as a part of the civil service pay adjustment. Moreover, SWD had informed NGOs concerned that the additional subventions were expected to be spent on salary adjustments. In the circumstances, he disagreed with the Administration's conclusion set out in its previous paper (LC Paper No. CB(2)560/08-09(06)) that the 19 NGOs concerned did not involve misuse of public fund. He worried that this would send out a message that it was nothing wrong with subvented NGOs for not making corresponding pay adjustment to their staff in 2008-2009 after receiving the supplementary subventions. He strongly urged the Administration to withdraw the remarks. While he was remained of the view that the Administration had misled members when seeking the funding approval from FC, Mr LEE considered it more important to take remedial measures so that NGOs would only use the additional subventions for the designated purpose in future. Noting that under paragraph 4.4 of the LSG Manual, DSW might impose conditions on the granting of LSG, Mr LEE said that consideration should be given to imposing a clear condition on the exclusive use of the additional subventions for the increase of salary for NGO staff.

45. DSW said that the issue could be considered by the reconstituted LSGSC. He reiterated that that under the principles of LSGSS, NGOs had the flexibility to deploy their LSG. It was the Administration's position to encourage subvented NGOs to spend the additional subventions on pay adjustment. Information

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obtained revealed that the concerned NGOs had not deviated from the rules of LSGSS and they had not involved misuse of public fund.

46. Mr CHEUNG Kwok-che did not agree with DSW's response and said that it failed to meet the expectation of NGO staff of pay adjustment. To enable the public to monitor the human resources management policies of individual NGOs, Mr CHEUNG Kwok-che said that SWD should conduct a survey on NGOs' salary adjustment arrangements in the light of 2008-2009 Civil Service Pay Adjustment, and disclose the names of NGOs which had not arranged back-pay to ex-staff who resigned after 1 April 2008 and names of NGOs which had not adjusted the pay of their staff in accordance with the civil service pay adjustment. He cautioned that pay adjustment in accordance with the civil service pay adjustment represented inflationary adjustment which was independent of the performance-based adjustment.

47. Mr LEUNG Kwok-hung strongly requested SWD to disclose information on the pay adjustment arrangements of individual NGOs.

48. DSW said that he would give thoughts to the suggestion. However, as NGOs were not required to provide the details of their staff remuneration to SWD, SWD would have to see if the information so requested could be obtained.

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49. The Chairman took the view that the Administration should provide a concrete answer as to whether it would accede to the request to conduct a survey and disclose the relevant information by the next Panel meeting. The Chairman said that should the Administration's reply be in the negative, members might wish to consider setting up a Select Committee and seeking authorisation of the Council for the Select Committee to exercise the powers conferred by the Legislative Council (Powers and Privileges) (Cap. 382) to obtain the relevant information. Mr LEE Cheuk-yan agreed with the Chairman's views.

50. Mr CHEUNG Kwok-che and LEUNG Kwok-hung agreed with the view that clear conditions or stipulations should be imposed in the LSG Manual on how NGOs should use the subventions for designated purpose. Mr IP Wai-ming also urged the Administration to impose conditions on the designated use of the part of subvention which was allocated based on calculation for the Personal Emoluments for staff expenses.

51. DSW responded that under LSGSS, NGOs were given the flexibility to deploy their LSG for recognised activities within the confines of the FSAs. There were no specific provisions setting out each and every designated use of the LSG, either in the FSAs or in the LSG Manual. While the issue of salary adjustment for NGO staff could be considered by the reconstituted LSGSC, any changes to the terms and conditions relating to the implementation of LSGSS should be subject to mutual agreement between the Government and the NGOs

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concerned, and consultation with subvented NGOs would be required.

52. Mr IP Wai-ming expressed disappointment at DSW's response. He was given to understand that, with the flexibility given, NGOs were allowed not to make any pay adjustment upon receiving the additional subventions. Mr IP expressed concern about the excessive reserves accumulated by individual NGOs and requested the Administration to review the maximum level of reserves allowed to be kept by NGOs.

53. DSW said that as a result of the provision of Tide-Over Grant and Special One-off Grant for NGOs to meet the Snapshot Staff commitment, the level of cumulative reserves of some NGOs would exceed 25% of their respective recurrent subventions. Commencing from 2007-2008, any unused subventions above the 25% cap needed to be refunded to the Government in the following financial year. It was noted that there was no such case in 2007-2008.

54. Mr Alan LEONG enquired about the measures taken by the Administration to encourage NGOs to spend the additional subventions on salary adjustment and to monitor their use of the additional subvention amounts on designated purpose. DSW said that SWD had issued a letter in July 2008 to encourage subvented NGOs to spend the additional amounts of subvention for the purpose of adjusting the pay of their staff. SWD would monitor whether the subvention was spent on recognised activities under the provisions of the FSAs and the LSG Manual.

55. At the invitation of the Chairman, the legal advisor to the Panel advised that under paragraph 4.4 of the LSG Manual, DSW might impose conditions on the granting of LSG. It was silent as to whether the consent from the NGOs concerned should be obtained before DSW imposed such conditions. It would be a matter of judgment for members whether the Administration's position stated in the relevant FC paper had been unclear that it could have misled FC as to the purpose for which the additional subventions could be used when it invited FC to approve the proposal on 2008-2009 Civil Service Pay Adjustment. In future, if the Administration specified in its proposal that the additional subventions could only be used for salary adjustment for NGO staff, the NGO would be bound by the specified use of the additional subventions.

56. In concluding the discussion, the Chairman suggested that the Panel should write to the Financial Secretary conveying members' concern about the use of the additional subventions for purposes other than pay adjustment. In addition, the Administration should take remedial measures so that NGOs which had received the additional subventions for 2008-2009 pay adjustment should only use the additional subventions for the designated purpose and in future impose a clear condition on the exclusive use of the additional subventions for the increase of salary for NGO staff. The Chairman further suggested that the

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Panel would write to the Director of Audit conveying members' concerns about the use of the additional subventions, in particular whether the use of the additional subventions for purposes other than pay adjustments would constitute a misuse of public money. Members agreed.

Admin

57. Pointing out that the Panel passed a motion on 9 February 2009 concerning the implementation of the 36 recommendations contained in the Review Report on the LSGSS, Mr CHEUNG Kwok-che and Mr LEE Cheuk-yan were concerned about the follow-up actions taken by the Administration. They said that the Administration should update the Panel of the implementation progress regularly. The Chairman suggested and members agreed that the Administration should report regularly on the implementation of the recommendations made by the LSGIRC. Members further agreed that the Panel might consider holding a further meeting in May/June 2009 to discuss the progress, if necessary.

VII. Any other business

58. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 2
Legislative Council Secretariat
15 April 2009