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Legislative Council

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Panel on Home Affairs

**Background brief prepared by the Legislative Council Secretariat
for the meeting on 11 June 2010**

Review on financial assistance to Mutual Aid Committees

Purpose

The Administration briefed the Panel on its proposal to review the financial assistance to Mutual Aid Committees ("MACs") on 9 April 2010. This paper gives an account of discussions held by members on the proposal. For previous deliberations held by Legislative Council Members on the support to MACs, members may refer to LC Paper No. CB(2)1203/09-10(04) issued on 31 March 2010.

Background

2. MACs are voluntary bodies formed by residents of a building for the purpose of promoting mutual assistance in the neighbourhood among residents and fostering a sense of belonging to the community. MACs also provide a channel of communication between residents and the Government on matters affecting the well-being of the individual and the community. There are currently around 2 700 MACs in Hong Kong.

Financial assistance to MACs

3. At present, the Government provides the following support to facilitate the formation and operation of MACs -

- (a) newly-formed MACs may claim, on a one-off basis, reimbursement for actual expenses incurred within a specified period for a maximum amount of \$1 000;

- (b) MACs may claim, on a quarterly basis, reimbursement for basic expenditure items including electricity charges, telephone bills, office equipment, stationery, loudhailer, banking service charge, etc. The current maximum limit of the quarterly financial assistance is \$1 000, subject to revision by reference to the movement of the Consumer Price Index (A);
- (c) those MACs that occupy office premises in public housing estates may apply for payment of concessionary or nominal rent to the Housing Authority; and
- (d) MACs, like other district organisations, may apply for District Council ("DC") funds to organise community building activities and cultural and recreational activities.

Review on financial assistance to MACs

4. According to the Administration, there have been calls for a review of the current financial assistance for MACs in view of their growing involvement in various community activities and services, and the Government has decided to review the level of financial assistance to MACs in accordance with the following principles -

- (a) the primary purpose of the financial assistance is to ensure that the operation of MACs is not constrained by a lack of funds to meet set-up costs and administrative overheads;
- (b) the funds allocated to MACs are public funds and the prevailing financial control and safeguards should apply; and
- (c) the expenses should be incurred solely in connection with the running of MACs.

Discussions on the proposed review

5. Members in general expressed support for the Administration's proposal to review the financial assistance to MACs, in view of their increasing involvement in community activities and their role in promoting social harmony. To facilitate the formation and operation of MACs, members also put forward the following suggestions for the consideration of the Administration in its review -

- (a) the financial support for MACs should be raised from \$1 000 per quarter to \$1 000 a month;

- (b) MACs should be entitled to a special rate for utility deposits as they were non-profit making organisations;
- (c) bank charges for MAC deposits below the minimum amount required by the respective banks should be waived;
- (d) apart from the one-off setting-up payment, subsidy should be provided for minor refurbishment works at MAC offices at an interval of several years;
- (e) the cumbersome application procedures for the quarterly financial assistance should be streamlined; and
- (f) the Administration should highlight in its review the importance for MACs to adopt a more accommodating attitude, with a view to encouraging communication and promoting the participation of parties of different views in the organisation of community building activities for residents.

6. Some members further suggested that the Home Affairs Department should compile a list of authorized contractors for coach hiring services so as to save the need for MACs to go through the cumbersome quotation procedures when organising activities supported by the DC funds. Interest-free loan for MAC activities should also be provided to eradicate the need for MAC members to pay for these activities in advance.

7. The Administration undertook to give due consideration to members' suggestions set out in paragraph 5. On the application and reimbursement procedures for the quarterly financial assistance to MACs and activities supported by the DC funds, the Administration stressed that the funds so allocated were public funds and there was a need to ensure their proper use. In view of members' concern, the Administration undertook to explore the possibility of streamlining these administrative procedures without compromising the principle of prudent use of public funds.

Latest development

8. The Administration will revert to the Panel on findings of the review on the financial assistance to MACs at its meeting on 11 June 2010.

Relevant papers

9. A list of relevant papers with their hyperlinks at the LegCo website is in the **Appendix**.

Council Business Division 2
Legislative Council Secretariat
7 June 2010

Panel on Home Affairs

Relevant documents on review on financial assistance to Mutual Aid Committees

Committee	Date of Meeting	Minutes/Paper	LC Paper No.
Panel on Home Affairs	11.12.2009	Minutes of meeting	CB(2)859/09-10 http://www.legco.gov.hk/yr09-10/english/p/panels/ha/minutes/ha20091211.pdf
	9.4.2010	The Administration's paper on Review of Financial Assistance to Mutual Aid Committees	CB(2)1203/09-10(03) http://www.legco.gov.hk/yr09-10/english/p/panels/ha/papers/ha0409cb2-1203-3-e.pdf
		Background brief on Support to Mutual Aid Committees	CB(2)1203/09-10(04) http://www.legco.gov.hk/yr09-10/english/p/panels/ha/papers/ha0409cb2-1203-4-e.pdf

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