

立法會
Legislative Council

LC Paper No. CB(2)343/11-12
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 11 July 2011, at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon CHEUNG Kwok-che (Chairman)
Hon WONG Sing-chi (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Dr Hon LEUNG Ka-lau
Hon IP Wai-ming, MH
Dr Hon PAN Pey-chyou
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip

Member absent : Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-kin, BBS

Public Officers attending : Items III and V

Ms Irene YOUNG Bick-kwan, JP
Deputy Secretary for Labour and Welfare (Welfare) 2

Item III

Dr LEONG Che-hung, GBM, GBS, JP
Chairman of Elderly Commission

Dr Ernest CHUI Wing-tak
Associate Professor
Department of Social Work & Social Administration
The University of Hong Kong

Mrs Angelina CHEUNG FUNG Wing-ping
Principal Assistant Secretary for Labour and Welfare
(Welfare) 3

Miss Cecilla LI
Assistant Director of Social Welfare (Elderly)

Item IV

Professor CHAN Yuk-shee, BBS, JP
Chairman of Social Welfare Advisory Committee

Mr Roy TANG Yun-kwong, JP
Deputy Secretary for Labour and Welfare (Welfare) 1

Ms Karyn CHAN Ching-yuen
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1

Mr LAM Ka-tai
Assistant Director of Social Welfare (Subventions)

Item V

Mr Matthew CHEUNG Kin-chung, GBS, JP
Secretary for Labour and Welfare

Mr Franco KWOK Wai-fan
Principal Assistant Secretary for Labour and Welfare
(Poverty)

Ms Reddy NG Wai-lan, JP
Principal Economist (4)
Economic Analysis and Business Facilitation Unit
Financial Secretary's Office

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

Staff in attendance : Ms Yvonne YU
Senior Council Secretary (2) 4

Miss Karen LAI
Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Confirmation of minutes

[LC Paper No. CB(2)2278/10-11]

The minutes of the meeting held on 9 May 2011 were confirmed.

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

[LC Paper Nos. CB(2)2082/10-11(01) and CB(2)2196/10-11(01)]

2. Members noted that the following papers had been issued since the last meeting -

(a) Referral from the Complaints Division regarding the eligibility for Old Age Allowance and Disability Allowance under the Social Security Allowance Scheme; and

(b) Letter dated 22 June 2011 from Hon WONG Kwok-hing requesting the Panel to discuss the system for processing applications for Disability Allowance;

III. Consultancy study on community care services for the elderly initiated by the Elderly Commission

[LC Paper Nos. CB(2)2279/10-11(01) to (02)]

3. Dr LEONG Che-hung, Chairman of the Elderly Commission ("EC"),

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highlighted to members the key findings and recommendations of the final report of the Consultancy Study on Community Care Services for the Elderly ("the Report") initiated by EC and conducted by The University of Hong Kong ("the Consultant Team").

4. Dr LEONG said that "ageing in place as the core, institutional care as back-up" was an underlying principle of the Government's elderly policy, as "ageing in place" being the wish of most elders in Hong Kong. However, it was found that Hong Kong's institutionalisation rate (6%-7% for elders aged 65 or above) was high when compared with that of other countries which was around 3%. Dr LEONG further said that the Consultant Team considered that in the development of long-term care services in Hong Kong, the following values and principles should be adopted -

- (a) services should be "elderly-friendly";
- (b) the principle of "ageing in place" should be upheld;
- (c) the responsibility of care should be shared among the individual, family, community, market and the Government; and
- (d) there should be equitable allocation of resources for subsidised services, with priority given to the most needy.

5. Dr LEONG added that the major recommendations in the Consultant Team were -

- (a) improving the service provision of subsidised community care services ("CCS") and increasing the service volume;
- (b) introducing a CCS voucher based on affordability and shared responsibilities and equitable allocation of resources; and
- (c) creating an environment for further development of CCS.

6. With the aid of powerpoint presentation, Dr Ernest CHUI, Associate Professor, Department of Social Work and Social Administration, The University of Hong Kong, briefed members on the objective, methodology and recommendations of the consultancy study. Dr CHUI elaborated that

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the study aimed to examine ways to strengthen CCS for elderly through a more flexible and diverse mode of service delivery, and encourage social enterprises and the private market to provide CCS. Dr CHUI then briefly took members through the recommendations of the study as detailed in the Report.

7. While supporting the overall recommendations in the Report, Mr TAM Yiu-chung took the view that the service provision of CCS could be improved and the service volume could be increased only if the manpower for delivery of CCS would be increased correspondingly. Mr TAM cautioned that although the provision of CCS vouchers would serve as an incentive to encourage elders to opt for CCS, the elders would still need residential care services ("RCS") as a result of ageing. The provision of RCS could not be replaced by the introduction of a CCS voucher scheme. Mr TAM added that the Democratic Alliance for Betterment and Progress of Hong Kong supported the proposed CCS voucher, and that the voucher scheme should be extended to RCS so as to provide elderly with more choices of quality residential care homes for the elderly ("RCHEs").

8. Dr LEONG Che-hung of EC noticed the problem of recruitment and retention of staff in both subvented and private RCHEs. He was delighted to note that the supply of nurses had increased following the re-launching of the enrolled nurse programmes. He agreed that the Administration should step up its efforts in the training of professionals and health workers to facilitate their recruitment for elderly care services.

9. Mr LEE Cheuk-yan took the view that the relatively high institutionalisation rate was due to the congested living environment in Hong Kong, the requirement of elderly applicants to apply for Comprehensive Social Security Assistance ("CSSA") on a household basis and the lack of retirement protection to enable the elderly to age in place. Noting that the Report recommended the introduction of a CCS voucher based on affordability, Mr LEE sought more information on the means test mechanism, and in particular whether the means test would be conducted on a household or an individual basis. Citing the requirement of applying for CSSA on a household basis as an example, Mr LEE pointed out that needy elders had to reside in RCHEs such that they could apply for CSSA on an individual basis. To enable elders to age in place, the eligibility of CCS voucher scheme should be assessed based on the affordability of individual applicants.

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10. Dr LEONG Che-hung of EC said that the recommendation of introducing a CCS voucher would need further study. The initial thinking was there could be a sliding scale for service charges, so that those with better financial means could be required to pay a higher fee. This was in line with the principles of shared responsibilities and equitable allocation of public resources. Dr LEONG further said that the Report had identified the issues and challenges faced in the provision of long-term care services. For instance, to create an environment conducive to the development of CCS, the Administration should enhance both the hardware (such as the living environment for the elderly to age in place) and software (such as service delivery). He also noted the Consultant Team's observation that there was an imbalanced development between CCS and RCS as revealed from the high institutionalisation rate and an over-reliance on publicly funded long-term care services.

11. Referring to graphs 4.16 and 4.17 of the Report, Dr Ernest CHUI of the Consultant Team said that a majority of the respondents to the questionnaire survey conducted by the Consultant Team was in support of having a means test for the proposed voucher scheme, and over 50% of them opined that only the elderly applicant/user should be assessed but not their spouse nor their children, irrespective of their being co-resident or not. Dr CHUI added that overseas experience in implementing similar voucher scheme revealed the concern about abuses such as assets transfer by the prospective applicants. As such, one should consider introducing an appropriate mechanism to guard against abuse.

12. Recognising the efforts made by EC and the Consultant Team in completing the two consultancy study reports on RCS and CCS, Ms LI Fung-ying asked about the concrete follow-up actions taken by the Administration to implement the recommendations of the two reports. Apart from enhancing CCS for the elderly, Ms LI asked whether the Administration would consider providing carers with allowances to alleviate their financial burden in taking care of the elderly family members.

13. Deputy Secretary for Labour and Welfare (Welfare)2 ("DS(W)2") advised that as recommended by the study report on RCS which was also initiated by EC, the study on CCS was undertaken in April 2010 to look into ways to strengthen the existing CCS. In tandem, the Administration had launched new initiatives to ease the pressing demand for CCS and turned some well-received programmes into regular services. For

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instance, the Pilot Scheme on Home Care Services for Frail Elders was launched to provide tailor-made services for the frail elderly who were waiting for nursing home places. The pilot Integrated Discharge Support Programme for Elderly Patients would be regularised and extended from the current three districts to all 18 districts. DS(W)2 said that the Administration agreed to the broad directions set out in the Report, but as EC had just released it, the Administration would need more time to study the detailed recommendations and would revert to the Panel on its response in due course.

14. Dr LEONG Che-hung of EC fully recognised the pressure of family carers in taking care of elders. To his knowledge, appropriate training, respite services and community resources had been provided for family carers. Dr LEONG added that while the proposed voucher scheme would not provide payment to family carers, a CCS voucher could help elderly users and family carers to choose CCS that most suited their needs, and thereby relieved the carers' pressure in taking care of elders at home.

15. The Chairman considered that the provision of day respite services was far from adequate to meet the strong demand in the community.

16. Mr WONG Sing-chi was delighted to note EC's recommendations of improving the imbalance between the service provision of subsidised RCS and CCS, and providing more support for carers. He also supported the recommendation of introducing a CCS voucher based on affordability, which had been advocated by the Democratic Party for years. However, the requirement of making application for CSSA on a household basis had resulted in the premature and unnecessary admission of poor elders to RCHes. In his view, the prime solution to the high institutionalisation rate in Hong Kong was an overhaul of the CSSA Scheme, with a view to allowing elderly to apply for CSSA on an individual basis. Mr WONG asked whether the Labour and Welfare Bureau ("LWB") would put forward to the Chief Executive ("CE") for including this in the forthcoming Policy Address.

17. DS(W)2 said that the Administration agreed in principle with the overall thrust of the EC Report, but it would take more time to study the recommendations and would revert to the Panel on its way forward in the next legislative session as early as practicable. She further said that the Administration had been rolling out initiatives on CCS in response to the recommendations of EC, such as the Integrated Discharge Support

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Programme for Elderly Patients. On the CSSA Scheme, DS(W)2 advised that all other things being equal, households with elders would in fact be eligible for greater support, as there were special grants and supplements to cater for elders' special needs, and elders enjoyed a higher standard payment rate and a more relaxed asset limit.

18. Dr LEONG Che-hung of EC supplemented that it had been the established practice of the Government to consult statutory advisory bodies including EC in preparation of the Policy Address. EC would, among others, put forward recommendations on improving the service provision of subsidised CCS to the Government.

19. Mr IP Wai-ming appreciated the efforts of EC and the Consultant Team in drawing up the Report and called upon the Government to roll out concrete measures to implement the recommendations in the Report. Referring to paragraphs 225 to 228 of the Report, Mr IP took the view that apart from enhancing caring skills and techniques of family carers, the provision of financial and emotional support for carers was equally important to enable the carers to balance their work and caring responsibilities. He sought more information from the Consultant Team and EC on the study in this respect.

20. Dr Ernest CHUI of the Consultant Team referred members to paragraphs 118 to 121, 277 and 278, and graphs 4.7 and 4.8 of the Report and elaborated on the overseas experience of the provision of cash subsidy to family caregivers. Dr CHUI advised that having regard to the differences in the socio-cultural contexts between the western countries and Hong Kong, including the cultural norms of filial piety, and the diverse views in the community as to the desirability and appropriateness of introducing carer subsidy to family carers, there was need to have prudent consideration on the various issues pertinent to such a suggestion. Dr CHUI added that apart from the provision of carers' allowance, there could also be other forms of support rendered to family carers. To his knowledge, the Social Welfare Department ("SWD") and NGOs had currently provided various support services for caregivers. Yet further enhancement of services would require additional resources from the Government.

21. Dr LEONG Che-hung of EC said that EC had studied issues related to the provision of financial subsidy to family carers of the elderly. Overseas experience revealed that the proposal would inevitably give rise

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to the concern about abuse of public money. EC considered that priority should be given to taking forward other support measures, such as enhancing the service provision of CCS and increasing the service volume.

22. Dr PAN Pey-chyou said that the cramped living environment and long working hours were the major factors accounted for the high institutionalisation rate in Hong Kong. In his view, the Administration should actively consider the provision of carers' allowance to compensate the financial loss of family members in taking care of elders at home. Dr PAN pointed out that consequent upon the introduction of competitive bidding for project services by NGOs, the service quality for CCS was compromised. Dr PAN further said that the Report had omitted the study on the provision of support services for demented elders to stay in the community. In his view, dedicated service units should be set up to cater for the special needs of demented elders. In the light of the ageing population, Dr PAN asked whether EC would conduct further study on the community support services for demented elders.

23. Dr LEONG Che-hung of EC shared the view of Dr PAN that an elderly-friendly environment was crucial to promoting "ageing in place" and the support services for demented elders was an issue that warranted further examination. While acknowledging that the Report focused on the provision of CCS and ways to enhance the service, Dr LEONG advised that EC had planned to look into the community support services for demented elders.

24. Dr Ernest CHUI of the Consultant Team added that paragraphs 334-340 of the Report elaborated on the Consultant Team's study on CCS for older people suffering from dementia. It was noted that there were divergent views as to the relative merit of a specialised dementia centre vis-à-vis an integrated centre with a mixture of different user groups. Nonetheless, the provision of additional space for service centres for the existing integrated service centres would enhance the service to address the special needs of demented elders. Dr PAN remarked that the provision of specialised service units for demented elders and integrated centres for the elderly was not mutually exclusive and that both types of services could be developed at the same time.

25. Mr LEUNG Kwok-hung was of the view that it was not appropriate for EC to make recommendations on improving CCS based on overseas experience, having regard to the difference in the political and taxation

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systems. In his view, to improve the elderly services and to enable elders to age in place, the Administration should review the existing policies on high land price, labour interest and protection, retirement protection, and taxation system.

26. The Chairman enquired whether EC had studied the value of the proposed CCS voucher and the impact of a CCS voucher on the provision of subsidised CCS given that voucher users would likely purchase CCS from non-subsidised service providers.

27. Dr LEONG Che-hung of EC responded that EC had put forward the proposal of introducing a CCS voucher to promote ageing in place for the Administration's consideration. Should the Administration accept in principle the proposal, EC could offer further advice on how to take it forward.

28. Dr Ernest CHUI of the Consultant Team provided further information on the proposed CCS voucher scheme as follows -

- (a) the survey of the study had explored the respondents' acceptance of the value of the CCS voucher and their readiness to top up for the voucher. The responses were set out in paragraphs 209 and 210, and graphs 4.22 and 4.23 of the Report. It was noteworthy that the amounts that the respondents were willing to pay for the services under the voucher scheme and to accept the voucher varied depending on whether the respondents were users of subsidised CCS and their health conditions. While the Consultant Team had not yet recommended a specific value of the voucher, reference could be drawn from the unit costs of subsidised home-based care services and centre-based care services, which were around \$3,000 and \$6,000 respectively;
- (b) the Consultant Team agreed that as a matter of principle, voucher users should not occupy subsidised CCS places while receiving CCS voucher; and
- (c) as for the impact of a CCS voucher on the provision of subsidised CCS, subvented organisations were obliged to provide CCS in accordance with the service requirements set out in the relevant funding and service agreements with SWD.

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As shown in paragraph 71 and graph 2.8 of the Report, there was an increasing trend of NGOs and social enterprises providing a range of self-financing and non-subsidised CCS. It was anticipated that the implementation of the voucher scheme would provide incentive for further development of self-financing CCS and for the elderly with better financial means to use the services.

29. Mr LEE Cheuk-yan stressed that to achieve the objective of ageing in place, the Government should ensure that adequate CCS should be in place and other forms of support including carers' allowance should be provided to alleviate the pressure of family carers. As regards the introduction of a CCS voucher scheme based on affordability, Mr LEE held the view that it was unacceptable if the means test were to be conducted on a household basis and the Government should actively consider ways to improve the imbalanced development between RCS and CCS.

30. Dr LEONG Che-hung of EC said that EC considered that to uphold the principle of "ageing in place", the provision of CCS should be effective in attracting the elderly who were waiting for subsidised RCS to opt for CCS. The recommendations in the Report to improve CCS were by no means a substitute for the provision of RCS. He stressed that the development of CCS and RCS should complement each other. On the issues of carers' allowance and means test for the voucher scheme, Dr LEONG reiterated EC's stance as stated earlier.

31. The Chairman advised that another Panel meeting would be held to receive views from CCS users and operators; representatives of EC and the Consultant Team would be invited to attend the meeting.

(Post-meeting note: The special meeting would be held on 22 August 2011 at 2:30pm.)

IV. Long-term social welfare planning

[LC Paper Nos. CB(2)2279/10-11(03) to (04)]

32. At the invitation of the Chairman, Professor CHAN Yuk-shee, Chairman of the Social Welfare Advisory Committee ("SWAC"), said that SWAC had completed its study on long-term social welfare planning in Hong Kong and submitted a report entitled "Long-term Social Welfare

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Planning in Hong Kong" ("the Report") to LWB on 4 July 2011. SWAC Chairman advised that in preparing the Report, SWAC had organised consultation sessions to seek the views of the welfare sector and other stakeholders. As gathered during the consultation process, SWAC understood that some stakeholders expected the study to cover the development and planning of individual welfare service areas. However, SWAC considered that its study on long-term social welfare planning should look into the subject from a macro perspective and aim to formulate a blueprint for the future welfare system, instead of scrutinising the details of individual service areas and resource allocation. SWAC had made a series of recommendations to the Administration on the mission, fundamental values, guiding principles, strategic directions and planning mechanism of social welfare as set out in the Report.

33. Mr Albert HO said that although SWAC had stressed that the focus of the study was looking into the long-term social welfare planning from a macro perspective, and not the details of individual service areas, he was given the impression that the study merely looked into the sustainability and financial viability of social welfare services. Mr HO commented that the details of individual service areas, such as the service groups and performance targets, were part and parcel of future social welfare planning. Specifically, SWAC should have studied the need for drawing up a poverty line and the viability of introducing negative tax to alleviate the problem of poverty, not to mention setting targets for shortening waiting time for subsidised residential care services. In his view, the Report was conservative and fell short of public expectations.

34. SWAC Chairman said that as detailed in the Report, SWAC had fully recognised the major roles played by the Government in social welfare, i.e. principal resource provider, policy maker and implementation agent for policies. As a matter of fact, the sustainable development of welfare services was an issue that must be looked into when conducting a study on the long-term development and planning of social welfare. He trusted that members would appreciate that SWAC's role was not to formulate a blueprint for individual service areas. Nonetheless, SWAC had examined the development trends of social welfare in Hong Kong before putting forward the recommendations in the Report. For instance, with respect to elderly services, SWAC noted that according to the population projection made by the Census and Statistics Department, the elderly population was expected to rise to over 2 million by 2039, which suggested increasing demand for elderly services in future. The long-term

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planning of elderly services should take this into account.

35. Deputy Secretary for Labour and Welfare (Welfare) 1 ("DS(W)1") said that the guiding principles put forward by SWAC could provide useful indicators and directional basis for future welfare service development. SWAC had elaborated in Chapter 4 of the Report on the mission and fundamental values of social welfare, and the guiding principles and strategic directions proposed to be adopted for Hong Kong's long-term social welfare planning having regard to the finite public resources.

36. Referring to paragraph 4.5(c) of the Report, Mr WONG Sing-chi sought clarification from SWAC on the meaning of "treating each person as a whole". Taking into account the requirement for the elderly to apply for CSSA on a household basis and the lack of specific targets for individual elderly care services, Mr WONG wondered how individual elders were treated as a whole such that their specific needs could be addressed under the existing policy.

37. SWAC Chairman advised that having regard to the social mission and values that should be upheld, SWAC considered that the Government should adopt an inclusive and people-oriented approach so that the entire community would enjoy equality and respect and have equal access to welfare services. SWAC Chairman stressed that as explained earlier, the recommendations in the Report were not targeted at addressing specific problems, resources allocation and prioritisation in individual welfare areas. Instead, it set out the guiding principles and strategic directions proposed to be adopted for the long-term social welfare planning.

38. DS(W)1 said that the Administration would carefully analyse SWAC's recommendations. Should the Report be accepted by the Administration, the mission, fundamental values and guiding principles of social welfare and the strategic directions for Hong Kong's long-term social welfare planning as proposed in the Report would be taken on board. DS(W)1 disagreed with Mr WONG Sing-chi's remarks that the Government had failed to adopt a people-oriented approach by introducing eligibility criteria in implementing social welfare policies. The application procedures for different welfare services would ensure that social resources available were distributed equitably according to needs. Nonetheless, discretion might be exercised having regard to the special circumstances of individual applicants for welfare services.

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39. Mr LEE Cheuk-yan noted with concern that SWAC had proposed to put in place a planning mechanism which dovetailed with the delivery of the Policy Address by CE in October each year. In his view, the proposal not only lacked a long-term perspective for planning social welfare services, but also ruled out the option of adopting a Five-Year Plan mechanism.

40. SWAC Chairman explained that SWAC had no intention to propose to put in place a one-year planning mechanism in the Report. SWAC considered that in the Policy Address announced every October, the Government had outlined proposed new initiatives and progress of ongoing initiatives, but it did not mean that they were short-term in nature or to be implemented for one year only. Hence, a rolling planning process did not necessarily mean a lack of long-term planning or policies on the part of the Government. SWAC Chairman said that as compared with the former Five-Year Plan mechanism, the proposed principles for the social welfare planning mechanism were more flexible and compatible with the current social circumstances. DS(W)1 added that paragraph 5.28 of the Report had provided a summary of the planning mechanism put forward by SWAC.

41. Noting that some stakeholders had confused the frequency of the one-year planning cycle with the implementation duration of the measures and services covered by the mechanism, DS(W)1 stressed that the Administration had all along been investing heavily in the development and provision of social welfare services, with sustained growth in expenditure. It was noteworthy that over the five financial years from 2007-2008 to 2011-2012, the recurrent expenditure for social welfare services rose from \$34 billion to \$42.2 billion, representing an increase of 24.1%, or more than double the actual recurrent expenditure of \$20 billion for the 1997-1998 financial year. Moreover, the recurrent expenditure on welfare services doubled over the past 14 years at a growth rate faster than those of the Gross Domestic Product and total Government Recurrent Expenditure.

42. Mr LEE Cheuk-yan opined that when SWAC put forward the user pays principle in respect of welfare services in its consultation paper on the long-term social welfare planning released in April 2010, he had raised strong views against the proposal. Now that SWAC put forward a similar recommendation of exploring the feasibility of cost-sharing by the financially capable, which, in his view, would have changed the fundamental values of social welfare, i.e. welfare services would be put on sale for those who were financially capable or would be subject to means

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test, but not being provided to those who were in need. Mr LEE sought elucidation on the principle of cost-sharing by the financially capable as referred to in the Report.

43. As regards the proposal of exploring the feasibility of cost-sharing by the financially capable, SWAC Chairman said that taking elderly services as an example, elders who were able to shoulder the costs might choose to reside in non-subsidised residential care homes for the elderly, instead of waiting for subsidised home places. This would enable those elders in need but lacking financial means to receive proper care earlier. In this light, SWAC considered that the principle of cost-sharing by the financially capable should play a greater role in the social welfare planning framework in future, notwithstanding that SWAC was of the view that the Administration should provide subsidised welfare services to those in need but lacking financial means.

44. DS(W)1 noticed that SWAC was of the view that the Administration should continue to provide heavily-subsidised or even free welfare services to those in need but lacking financial means. As for the service users who were financially capable, "shared responsibility" in the form of fees to recover part of the costs could be considered so as to optimise the effective use of the limited public resources.

45. Ms LI Fung-ying disagreed with SWAC's observation that the role and commitment of the Government in social welfare service delivery was enhancing. While she would not oppose to the guiding principles and strategic directions for future welfare development as set out in the Report, Ms LI held the view that the prime objective of welfare services was to provide assistance and support for the underprivileged and those lacking financial means. The Report had yet to put forward specific recommendations or clear targets on long-term social welfare planning in this regard. In her view, it was incumbent upon the Administration to formulate a long-term social welfare policy in Hong Kong.

46. SWAC Chairman advised that SWAC regarded the establishment of a set of guiding principles and directions crucial to the community at large for further deliberation on the strategies for welfare-related issues at the macro level. On the proposed principles for the social welfare planning mechanism, SWAC proposed to enhance the existing planning arrangements such that views would be collected at the district and central level. This would allow for full and interactive participation of the

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welfare sector and stakeholders through a more transparent process, and would enable them to make timely and practicable suggestions in response to the latest social circumstances and welfare needs.

47. In response to Ms LI Fung-ying, DS(W)1 noticed that as detailed in paragraphs 3.8 to 3.10 of the Report, SWAC had elaborated on the role of the Government in the social welfare system. DS(W)1 said that as detailed in the Report, SWAC reckoned that the Government was the principal resource provider of social welfare in Hong Kong, and expected that the Government would not change its role in the foreseeable future. DS(W)1 pointed out that it was noteworthy that the recurrent expenditure for various aspects of social welfare had increased from 13.4% to 17.4% of the total Government Recurrent Expenditure in the past six to seven years, representing an actual increase of 29.8%, and the Government would continue to increase the provision for welfare services to meet the rising demand.

48. The Chairman said that the Report had yet to shed light on the long-term development of welfare planning in Hong Kong, despite it had identified the challenges ahead. In his view, the services included in the proposed social welfare planning mechanism were indeed individual service projects, and not service areas. Moreover, under the proposed planning mechanism, views would first be collected at the district level, followed by the central level. He was concerned that local personalities and stakeholders would make use of the mechanism to press for individual services and service provision at the district level, which would not be in the best interest of the community at large. The Chairman stressed that while the welfare sector and stakeholders should be fully engaged in the consultation and planning for development and delivery of welfare services, it was incumbent upon the Administration to set strategies and policies for long-term social welfare planning, with a view to tackling the challenges ahead.

49. Mr LEUNG Yiu-chung said that the guiding principles and strategic directions for future welfare development as set out in the Report were unobjectionable. He, however, took the view that the implementation of the new and ongoing welfare initiatives and services was of utmost importance. Therefore, SWAC should have urged the Administration to adopt specific performance targets for the delivery of welfare services in a bid to evaluate the implementation of the principles and achievement of the strategies.

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50. While appreciating the need to set specific targets for service performance, SWAC Chairman said that it was practically difficult for SWAC to examine the specific targets for individual welfare services having regard to the scope of services concerned.

51. DS(W)1 said that, before 1999, the Government mainly adopted a Five-Year Plan mechanism for planning social welfare services, under which service plans and targets were based on the assumption that welfare demand in terms of quality and quantity would remain relatively stable in the next five years. However, experience indicated that the drastically changing socio-economic circumstances often rendered the targets out-of-date. Nor was it possible to redeploy resources to meet the rising demand in individual districts timely. SWAC understood that a more flexible approach for social welfare planning had been adopted instead and proposed to build on the existing mechanism in enhancing the long-term social welfare planning process and mechanism.

52. The Chairman said that the Panel would hold a further meeting to discuss and receive views from deputations on the findings and recommendations of the Report, and representatives of SWAC and the Administration would also be invited to the meeting.

(Post-meeting note: The special meeting would be held on 22 August 2011 at 9:30 am.)

V. Work progress of the Task Force on Poverty
[LC Paper Nos. CB(2)2279/10-11(05) to (06)]

53. Secretary for Labour and Welfare ("SLW") briefed members on the progress of the Task Force on Poverty in implementing the 53 recommendations of the then Commission on Poverty ("CoP") as detailed in the Administration's paper. He highlighted to members that the number of persons living in poverty in 2010 stood at 759 900, which was 9.4% and 26.0% lower as compared to the corresponding figures in 2009 (838 300) and in 2003 (1 026 800). SLW envisaged that with the implementation of statutory minimum wage and the imminent launch of the Work Incentive Transport Subsidy Scheme ("WITS Scheme") in October 2011, the earnings of low-income workers would progressively increase. That said, the Administration would continue its efforts in poverty alleviation and

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closely monitor the poverty situation in Hong Kong.

54. Mr LEE Cheuk-yan expressed concern about the implementation progress of the CoP's recommendations. With reference to Recommendation 44 of CoP, Mr LEE asked whether the Administration would take on the recommendation and consider a more relaxed asset limit for elderly CSSA recipients. In his view, an upward adjustment of the CSSA asset limit by 2.8% was merely an inflationary adjustment and could not be regarded as having relaxed the asset limit. Mr LEE further said that members were given to understand that apart from the district-based poverty alleviation initiatives, the Hong Kong Housing Society ("HKHS") would develop an Integrated Elderly Community Project ("IECP") in Tin Shui Wai ("TSW") Area 115 and other temporary facilities in Site B of Area 112, which would provide more employment opportunities to the TSW community. He enquired about the progress of the project.

55. SLW advised that instead of relaxing asset limit for elderly CSSA recipients across the board, the former CoP recommended the Administration to consider a more relaxed asset limit for elderly CSSA recipients on compassionate grounds. Starting from 1 February 2011, the asset limit for a singleton elderly applicant had been raised from \$35,000 to \$36,000, which was higher than that for able-bodied adults. This apart, discretionary arrangements were in place for processing CSSA applications from elders in genuine financial hardship. Under these arrangements, SWD might, having regard to the circumstances of individual cases, waive the CSSA household rule and allow an elder living with family members to apply for CSSA on his/her own. As regards the proposal of developing an IECP in TSW, SLW advised that to his knowledge, HKHS would be developing its IECP in TSW Area 115 and other facilities in TSW Area 112B. SLW assured members that the Administration had been actively promoting employment opportunities in TSW, notably the setting up of the Hong Kong Jockey Club Telebet Centre cum Volunteers and Training Centre in TSW North had created some 2 000 jobs. The vocational training centre operated by the Construction Industry Council Training Academy also provides training opportunities to residents in TSW.

56. Mr WONG Sing-chi said that the implementation of minimum wage could not alleviate the poverty problem faced by the underprivileged, as the disabled and elders would be unable to compete with the able-bodied to secure employment in the open labour market. He asked about the assistance to be provided for them. Mr WONG further said that many

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carers of the disabled persons faced undue financial pressure if they had to quit their jobs to take care of their family members with disabilities. He appealed to the Administration to actively consider providing these carers with an allowance for taking care of their disabled family members.

57. SLW said that while employment assistance to the disabled was beyond the recommendations of the then CoP, the Administration had been committed to facilitating their reintegration into society through various employment and training programmes. For example, the Government had enhanced the Work Orientation and Placement Scheme to encourage employers to offer more work trial opportunities for disabled persons. Disabled job seekers could approach the government employment services for job referral. SLW added that the Administration would closely monitor the impact of the implementation of the minimum wage on the labour market.

[To allow more time for discussion, the Chairman suggested and members agreed to extend the meeting for 15 minutes to 1:15 pm.]

58. Pointing out that the then CoP and the Subcommittee to Study the Subject of Combating Poverty of the Legislative Council had put forward a series of recommendations on poverty alleviation for the consideration of the Government, Ms LI Fung-ying enquired about the poverty alleviation targets of the Government. Specifically, she asked about the new initiatives in respect of poverty alleviation to be introduced in the forthcoming Policy Address.

59. SLW advised that while CE was soliciting views for the preparation of the forthcoming Policy Address, the Administration would endeavour to improve the livelihood and safeguard the rights of grassroots workers. On the key welfare initiatives, apart from poverty alleviation, the Government attached great importance to strengthening elderly care services, and would uphold the policy objective of "ageing in place" through enhancing the provision of RCS and CCS. The Administration would also study thoroughly the recommendations of SWAC in respect of the long-term social welfare planning in Hong Kong. The Administration would keep in view the situation and inject more resources for poverty alleviation if considered necessary.

60. Mr LEUNG Yiu-chung pointed out that despite the recent drop in proportion of people living in poverty, the absolute figure of some 759 900

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still represented one-tenth of the total population. Mr LEUNG cautioned that notwithstanding the implementation of the statutory minimum wage, the earnings of some 300 000 workers remained very low. He expressed grave concern about the measures in place to improve the livelihood of the working poor who were not on CSSA. He took a strong view that the Administration should set concrete targets for alleviating the problem of working poverty.

61. SLW said that the phenomenon of relative poverty existed in many affluent economies. In the United States, the proportion of people living in poverty was one out of six to seven, whereas the proportion in Hong Kong was one out of nine. That said, the Government would continue to attach great importance to poverty alleviation. For those ready to join the workforce, employment was the key to self-reliance and therefore the Administration had provided them with effective employment support. As mentioned earlier, the implementation of statutory minimum wage and the launch of WITS would help meet the needs of employees from low-income households and encourage them to stay in employment. As for those not yet ready to join the workforce, the CSSA Scheme remained a safety net of last resort. This apart, the launch of the Community Care Fund also provided assistance to the financially vulnerable people.

62. Principal Economist (4), Economic Analysis and Business Facilitation Unit, Financial Secretary's Office ("PE(4)") supplemented that the number of poor population aged 0 – 59 (i.e. those whose earnings were lower than the average payment of CSSA) was 557 100 in 2010, as compared with 636 400 in 2009.

63. Mr IP Wai-ming pointed out that it had been alleged that the enrolment rate of the Pilot Employment Navigator Programme was as low as about 20%-30% of the target participants. He asked whether the Administration would review the programme so as to attract more people to enrol with the programme.

64. SLW advised that the Pilot Employment Navigator Programme, launched in December 2010, aimed to help job-seekers who found it very hard to secure employment through the provision of a personalised employment consultation service and cash incentives. Since the launch of the programme, a total of 2 800 applications were received, 943 applicants had secured employment, and 320 applications had been approved. This revealed that the unemployed were able to secure employment in the open

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market on their own accord as a result of the prosperous labour market. The Administration would keep in view the situation of the labour market and review the programme as appropriate. In response to Mr IP's concern about the impact of minimum wage on the attractiveness of the programme, SLW said that the Administration would review the level of minimum income under the programme in the course of future review.

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65. Noting that the number of people living in poverty in 2010 was 759 900, Mr IP Wai-ming asked about the number of elderly persons in poverty; and its proportion to the elderly population. PE(4) replied that of some 759 900 persons living in poverty in 2010, 202 800 were estimated to be elderly in poverty. In 2009, out of 838 300 persons living in poverty, 201 900 were poor elders. She said that as compared with previous years, the proportion of elderly in poverty remained rather stable, and the absolute number increased slightly mainly because of a growth of the elderly population. At the request of Mr IP Wai-ming, the Administration agreed to provide the information in writing after the meeting.

(Post-meeting note: the Administration advised that in 2010, the 202 800 poor elders represented around 15.4% of the elderly population aged 60 and above.)

66. Mr TAM Yiu-chung was concerned that consequent upon the implementation of the minimum wage, some low-income CSSA cases would no longer be eligible for CSSA because of an increase in income, although their earning remained meagre. In his view, the Administration should review the maximum level of disregarded earnings ("DE") under the CSSA Scheme. Mr TAM also expressed concern about the impact of the rising inflation on those living in poverty, and the pressure on the poverty alleviation work. He cautioned that the Administration should take appropriate measures to maintain the purchasing power of the poor people and provide assistance to those in need.

67. SLW advised that under the DE arrangements of the CSSA Scheme, recipients could retain the first \$800 of earnings from employment and half of the remaining earnings until the total amount of DE reached the maximum limit of \$2,500. He said that so far the minimum wage had no adverse impact on the take-home payment of CSSA recipients who were in employment. The Administration would keep in view the situation. As regards the inflationary impact on the low-income group, SLW said that to

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alleviate the hardship of the grassroots, the Government had rolled out a wide range of relief measures, including the disbursement of one additional month of standard rate payments to the recipients of CSSA, one additional month of allowance to recipients of Old Age Allowance and Disability Allowance in July 2011. Moreover, a one-off payment of \$6,000 would be disbursed to all Hong Kong permanent identity card holders aged 18 or above by the end of 2011. In addition, starting from October 2011, the monthly payment of Community Living Supplement under the CSSA Scheme would be increased from \$120 to \$250 to better support the recipients in the community, and the Supplement would be extended to cover persons with disabilities at non-severe levels, persons in ill-health or elders, and who were not living in institutions. The enhancements in relation to this Supplement were expected to benefit in total about 190 000 people, including about 130 000 new beneficiaries.

VI. Any other business

68. There being no other business, the meeting ended at 1:16 pm.

Council Business Division 2
Legislative Council Secretariat
17 November 2011