

**立法會**  
***Legislative Council***

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Tel : 3919 3300

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 29 April 2015**

**Motion on**  
**“Abolishing the Lump Sum Grant Subvention System and**  
**the competitive bidding system implemented in the social welfare sector”**

Hon CHEUNG Kwok-che has given notice to move the attached motion on “Abolishing the Lump Sum Grant Subvention System and the competitive bidding system implemented in the social welfare sector” at the Council meeting of 29 April 2015. The President has directed that it be printed in the terms in which it was handed in on the Agenda of the Council.

(Odelia LEUNG)  
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion on**  
**“Abolishing the Lump Sum Grant Subvention System and**  
**the competitive bidding system implemented in the social welfare sector”**  
**to be moved by Hon CHEUNG Kwok-che**  
**at the Council meeting of 29 April 2015**

**Wording of the Motion**

That, on 1 January 2001, the Government abolished the previous reimbursement-based subvention system on the grounds that the system was ‘inflexible, complex and bureaucratic’, and introduced the Lump Sum Grant Subvention System and subsequently a competitive bidding system to commission services through a bidding process open to non-governmental organizations (‘NGOs’); however, so far there has been no objective study confirming that the Lump Sum Grant Subvention System may enhance NGOs’ flexibility in deploying resources to address social needs; on the contrary, for increasing cumulative reserves, some NGOs have resorted to layoffs and pay cuts and some NGOs even have to return to the Government their excess amounts of reserves exceeding the cumulative limit, whereas the Best Practice Manual formulated by the Administration for NGOs has no binding effect; in fact, the Lump Sum Grant Subvention System and the competitive bidding system have seriously affected the ecology of the social welfare sector, including affecting the normal movements of ‘Snapshot Staff’, causing a high turnover rate of newly recruited contract staff, and giving rise to unequal pay for equal work between NGOs and the Social Welfare Department as well as among NGOs, thus resulting in the delink of staff salaries from the salary structures and pay scales of the civil service, the absence of protection from inflation-based annual adjustments to pay rates and performance-based pay increases for staff, the maximum salaries for most positions being forced to be set below the mid-point of the salary scale of common posts in the NGOs, with the salaries of some staff members even below the entry pay point on that pay scale, giving rise to phenomena such as succession gap in the profession, short-term contract employment and excessive workloads, etc.; in respect of the provision of services, the two systems have also caused NGOs to treat each other as bidding competitors, thereby impeding the possibility of experience sharing and joint exploration of promoting service development among themselves; some NGOs have even increased fees and charging items and employed less staff to increase financial revenue, while the Government also allows NGOs to set aside large amounts of subventions as reserves without using them for providing social services, thus affecting the quality of social

services and long-term social welfare planning; given that most of these NGOs are important service providers for the grassroots and the underprivileged, the cap on expenditure and the absence of staff establishment have directly hindered the provision and development of social services, eventually affecting members of the public in need; in this connection, this Council urges the Government to immediately abolish the Lump Sum Grant Subvention System and the competitive bidding system, and reinstate the reimbursement-based subvention system, so as to restore the healthy ecology of the social welfare sector, improve social welfare services and promote long-term social welfare planning.