

立法會
Legislative Council

LC Paper No. CB(2)739/17-18
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 13 November 2017, at 10:00 am
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon SHIU Ka-chun (Chairman)
Hon KWONG Chun-yu (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Chi-chuen
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon LUK Chung-hung
- Members absent** : Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon Junius HO Kwan-yiu, JP

**Public Officers : Items V, VI & VII
attending**

Dr LAW Chi-kwong, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Items V & VI

Mr Donald CHEN, JP
Deputy Secretary for Labour and Welfare (Welfare) 2
Labour and Welfare Bureau

Item V

Ms Michelle LAM Wai-yip
Assistant Director (Social Security)
Social Welfare Department

Miss Rita LAU Choi-ha
Chief Social Security Officer (Social Security)1
Social Welfare Department

Mr Andrew KWAN Kai-ming
Senior Statistician (Social Welfare)
Social Welfare Department

Item VI

Mr Esmond LEE, JP
Head, Working Family and Student Financial
Assistance Agency

Mr Raymond HO
Assistant Commissioner (Development)
Labour Department

Item VII

Ms Carol YIP, JP
Director of Social Welfare
Social Welfare Department

Mr LAM Ka-tai, JP
Deputy Director of Social Welfare (Services)
Social Welfare Department

Clerk in attendance : Mr Colin CHUI
Chief Council Secretary (2) 4

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

Miss Alison HUI
Legislative Assistant (2) 4

Action

I. Confirmation of minutes of the meeting held on 12 October 2017

[LC Paper No. CB(2)124/17-18]

The minutes of the meeting held on 12 October 2017 were confirmed.

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

[LC Paper No. CB(2)232/17-18(01)]

2. Members noted that a referral from the Panel on Constitutional Affairs concerning the work of the Women's Commission and the Equal Opportunities Commission in the implementation of Convention on the Elimination of All Forms of Discrimination Against Women in the Hong Kong Special Administrative Region [LC Paper No. CB(2)232/17-18(01)] had been issued since the last meeting.

III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)233/17-18(01) to (02)]

3. Members noted that the Administration had proposed to discuss at the next meeting scheduled for 11 December 2017 the following items:

(a) Hong Kong Rehabilitation Programme Plan; and

- (b) Setting up a new contract residential care home for the elderly in the retail and welfare block of the public rental housing development at Hang Tai Road, Ma On Shan (Yan On Estate Extension).

(Post-meeting note: As instructed by the Chairman, an additional item "Community care support for persons suffering from dementia and their carers" would be added to the agenda for the regular meeting on 11 December 2017.)

IV. Proposed continuation of work of the Joint Subcommittee on Long-term Care Policy

[LC Paper No. CB(2)171/17-18]

4. Members endorsed the proposal of the Joint Subcommittee on Long-term Care Policy ("Joint Subcommittee"), which was jointly appointed by the Panel and the Panel on Health Services, to continue its work beyond its 12-month period of work and, for such purpose, to seek the endorsement of the House Committee for the Joint Subcommittee to be put on the waiting list for re-activation. Members noted that the Joint Subcommittee's proposal would also be considered by the HS Panel at its meeting on 20 November 2017.

V. Annual adjustment of social security payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme, and issues relating to rent allowance under the Comprehensive Social Security Assistance Scheme

[LC Paper Nos. CB(2)233/17-18(03) to (04) and CB(2)291/17-18(01) to (02)]

5. The Chairman drew members' attention to Rule 83A of the Rules of Procedures regarding personal pecuniary interest to be disclosed. He reminded members to declare interests in the matter under discussion, if any.

6. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the Administration's proposal to seek the approval of the Finance Committee ("FC") to adjust the standard payment rates under the Comprehensive Social Security Assistance ("CSSA") Scheme and rates of allowances under the Social Security Allowance

Scheme with effect from 1 February 2018, having regard to the latest movement of the Social Security Assistance Index of Prices ("SSAIP"). Members were also briefed on the latest position of the Consumer Price Index ("CPI") (A) rent index for private housing ("rent index") and the estimated corresponding adjustment to maximum rates of the rent allowance ("MRA") under the CSSA Scheme starting from 1 February 2018 as well as relevant information on MRA.

Adjustments of standard payment rates and maximum rent allowance under the Comprehensive Social Security Assistance Scheme

7. Dr Fernando CHEUNG said that every time when the Panel was briefed by the Administration on the annual adjustments of standard payment rates and MRA under the CSSA Scheme, members had expressed concern that the standard payment rates and MRA were inadequate to meet the basic needs and rental expenses of CSSA households. As the Administration had not conducted any review of the CSSA Scheme since its last review on basic needs in 1996, the subsistence level had not been adjusted and was therefore outdated. Besides, CPI(A), which was compiled based on the expenditure patterns of households whose spending was the lowest 50% in Hong Kong, could not accurately reflect the expenditure patterns of CSSA households. He took the view that instead of updating the weighting system of SSAIP every five years on the basis of the findings of the Household Expenditure Survey on CSSA Households, the Administration should adjust the items covered by the CSSA Scheme. He enquired when the Administration would set a new subsistence level.

8. Mr LEUNG Yiu-chung opined that discussion on the adjustments of standard payment rates and MRA would only be meaningful if members were provided with information on how the adjustments would improve the living of CSSA households. The Administration should establish a mechanism for reflecting the improvements to the livelihood of CSSA households brought about by the increase in standard payment rates and MRA. The Administration should include such information in its papers to the Panel in future.

9. SLW responded that standard payment rates were adjusted according to the movement of SSAIP. SSAIP was compiled by the Census and Statistics Department on a monthly basis to reflect the impact of price changes on CSSA recipients. It was worth noting that the average monthly CSSA payments were higher in all household categories when compared with the average monthly expenditure of non-CSSA households

in the lowest 25% expenditure group. An increase in the standard payment rates in accordance with the movement of SSAIP would enable CSSA recipients to catch up with inflation. The weighting system of SSAIP was also updated every five years to capture the latest expenditure pattern of CSSA recipients. The Administration welcomed members' views on items covered in SSAIP.

10. Mr LEUNG Yiu-chung said that able-bodied adult CSSA recipients would only receive \$30 more a month (i.e. an average of around \$1 a day) if the standard payment rates were increased by 1.2%. He wondered whether there were any daily necessities which had such a minimal increase in prices. SLW responded that while some members might have the impression that the proposed rate of adjustment did not fully reflect the actual situation, SSAIP was compiled using objective data from relevant surveys.

Alleviation of rental burden of recipients of Comprehensive Social Security Assistance living in rented private housing

11. Dr Fernando CHEUNG said that the programme entitled "Subsidy for CSSA Recipients Living in Rented Private Housing" ("the Programme") implemented by the Community Care Fund ("CCF") could not help relieve the rental burden of the beneficiaries. Since the rent allowance under the current adjustment mechanism failed to keep up with the rise in the rental of private housing, the Administration should improve the adjustment mechanism rather than regularizing the Programme. The Administration should consult the public on its proposal of regularizing the Programme. Given that there were around 15 000 CSSA households paying an actual rent exceeding MRA, the Chairman said that the subsidy should be provided for these households on a regular basis. Mr LEUNG Yiu-chung took the view that the one-off subsidy provided under the Programme was not a long-term solution for alleviating the rental burden of the CSSA households living in rented private housing and paying a rent exceeding MRA. He called on the Administration to conduct a comprehensive review of the rent allowance system under the CSSA Scheme.

12. SLW responded that the current Programme provided a one-off subsidy to CSSA households living in rented private housing and paying a rent exceeding MRA so as to relieve their financial burden in face of periodical rent increase. Eligible one-person CSSA households and two-or-more-person CSSA households were provided with a one-off subsidy of \$2,000 and \$4,000 respectively. Considering that there was

room for enhancing the Programme, the Administration would submit to the Commission on Poverty ("CoP") its proposal of an adjusted approach to calculate and disburse the subsidy so as to better relieve the rental burden of the CSSA households concerned, especially those households with more members. The Administration's initial thinking was to set the level of subsidy having regard to the difference between the actual rent paid and MRA. Subject to CoP's views, the revised approach proposed for the CCF programme ("the enhanced programme") would be implemented for two years. The Administration would keep in view the implementation of the enhanced programme as the basis of a possible model for regularization in future. Mr POON Siu-ping asked when CoP was expected to endorse the Administration's proposal and whether the implementation period of the enhanced programme could be shortened. SLW responded that subject to CoP's endorsement, the enhanced programme could be launched in early 2018 at the earliest. A two-year implementation period was proposed to allow flexibility for fine-tuning as well as sufficient time for assessing its effectiveness.

13. The Deputy Chairman said that the proposed adjustments to standard payment rates and MRA (1.2% and 1.3% respectively) were the lowest in seven years. He said that 關注綜援低收入聯盟 had interviewed 185 CSSA households living in private housing and 60% of them indicated that their landlords had increased the rent several times in the past three years. He gathered that the amount of increased rent in private housing was much higher than the proposed adjustment to MRA under the CSSA Scheme, which ranged from \$23 to \$82 a month. Expressing concern that the data collected by the Administration failed to reflect the rental situation of CSSA household living in sub-divided units ("SDUs"), he called on the Administration to look into the matter critically. SLW responded that the 12-month moving average of the rent index up to the end of September 2017 had indicated that there was room for increasing MRA by 1.3%. The upcoming proposed adjustment of MRA should follow the established mechanism. On the other hand, the Administration could explore the reasons why the rent index was perceived by some members as lagging behind the actual rent paid by many CSSA households living in rented private housing.

14. Given the great discrepancy between rent allowance and the rental level in private housing, the Chairman opined that relying merely on scientific data to adjust MRA was insufficient. He said that the Administration had set a standard in 1996 that the rent allowance should cover the actual rent paid by 90% of CSSA households but such standard was subsequently removed after the Administration's review of the CSSA

Scheme in 1996. Many CSSA households who were in financial hardship were paying an actual rent higher than MRA. SLW responded that in the judgement of a judicial review case handed down in 2014, the Court of First Instance of the High Court had concluded that the Administration had never adopted the policy of setting MRA based on the actual rent paid by 90% of CSSA households. The Social Welfare Department ("SWD") would continue to adjust MRA according to the movement of the rent index in accordance with the established mechanism which was approved by FC in April 1998.

15. Dr KWOK Ka-ki said that there was a wide gap between the rent allowance and the actual rent paid by many CSSA households. Noting that MRA could not cover the actual rent paid by 54% of CSSA households living in private housing, he asked how the Administration would assist these households in relieving their financial burden. SLW responded that the rent index reflected the change of rental expenditure of households in the lower expenditure group that were living in private housing, and MRA was adjusted with reference to the 12-month moving average of the rent index. On the other hand, the actual rent paid by CSSA households varied according to the types of private housing in which they lived. The Administration therefore proposed to adjust the approach under the enhanced programme so as to strengthen the assistance provided to the CSSA households concerned. In response to the Chairman's suggestion of establishing a rent index for CSSA households, SLW said that there might be technical difficulties in establishing such an index.

16. Dr KWOK Ka-ki said that the Administration might not come up with an increase of 1.3% in MRA had it known the real life situation of CSSA households living in SDUs. He enquired whether staff of SWD had visited CSSA households living in SDUs and the number of such visits. Assistant Director (Social Security) responded that staff of SWD had paid home visits to CSSA recipients living in SDUs but the relevant figures were not available.

Comprehensive review of Comprehensive Social Security Assistance Scheme

17. The Deputy Chairman, Mr CHAN Chi-chuen and Mr Wilson OR opined that the existing levels of CSSA payments were inadequate to meet the basic needs of CSSA households. Although many CSSA households were in dire straits, the Administration had not taken forward suggestions on improving the CSSA Scheme from members and many concern groups.

They called on the Administration to conduct an overall review of the CSSA Scheme so as to improve the livelihood of the needy. SLW responded that the Administration had no plan at this stage to conduct a comprehensive review of the CSSA Scheme but views on improvements to the CSSA Scheme, e.g. items to be covered by SSAIP, would be welcomed. Mr CHAN Chi-chuen and Mr Wilson OR enquired about the difficulties encountered by the Administration in conducting a comprehensive review of the CSSA Scheme and the prerequisites for the Administration to conduct such a review. SLW responded that while the Administration did not see the need for a comprehensive review of the CSSA Scheme, adjustments to the various components of the CSSA Scheme could be made as appropriate, having regard to all relevant factors including the views of members and the public.

Raising the eligible age for elderly Comprehensive Social Security Assistance

18. Mr LEUNG Yiu-chung and Mr Wilson OR said that the Administration would implement a new policy to raise the eligible age for elderly CSSA from 60 to 65 so as to encourage elderly persons to join the labour market. Given their age and physical conditions, elderly persons might have difficulties in finding jobs. Opposing to the new policy, they asked about the justifications for the new policy and whether the Administration had conducted any in-depth study or consultation on it. SLW responded that elderly persons aged between 60 and 64 who were receiving CSSA before the new policy took effect would not be affected. The Administration had provided its responses to members' questions on the subject of raising the eligible age for elderly CSSA on a number of occasions since the policy briefing in January 2017 and he had nothing to supplement at this stage. In response to Mr Wilson OR's enquiry about the measures the Administration would take to help elderly persons enter the workforce, SLW said that SWD provided services to assist CSSA recipients in seeking employment and the Labour Department ("LD") also provided job-seeking services for elderly persons. The Administration welcomed views from members on ways to enhance these services. Mr Wilson OR opined that as the Administration did not play the role of a facilitator to assist elderly persons in seeking employment and elderly persons aged between 60 and 64 would no longer be entitled to some special grants as a result of the new policy, the Administration should shelve the new policy. The Chairman suggested that deputations should be invited to give views on the CSSA Scheme. Members agreed.

Motions

19. Dr Fernando CHEUNG moved the following motion:

"政府提出把領取長者綜合社會保障援助的合資格年齡由60歲調高至65歲，令未來60-64歲長者在申領資格¹、標準金額、特別津貼等都較少，並且強制規定他們須加入自力更生支援計劃，不只不切實際，事前全無諮詢，亦未有理據證明現時60-64歲長者的"基本需要"有所減少。本委員會促請政府立即擱置此項安排。"

(Translation)

"The Government proposes to raise the eligible age for elderly Comprehensive Social Security Assistance from 60 to 65, which will result in elderly persons aged between 60 and 64 being less favourable in terms of their eligibility¹ as well as the standard rates and special grants, etc. to be received in the future. It also proposes to require them to participate in the Support for Self-reliance Scheme compulsorily. Such proposals, without any prior consultation, are not only impractical but also lack of justifications to support that currently elderly persons aged between 60 and 64 have fewer "basic needs" than before. This Panel urges the Government to shelve these arrangements immediately."

20. The Chairman put the motion to vote. All members present voted for the motion. He declared that the motion was carried.

21. Dr Fernando CHEUNG moved another motion as follows:

"綜合社會保障援助("綜援")是香港社會保障制度下的"安全網"，鑒於政府多年沒有檢討綜援制度的整體情況，令綜援水平遠低於市民的基本生活需要，本委員會促請政府徹底檢討綜援制度，檢討範圍應包括：

(a) 重新評估基本生活需要，檢視標準金額水平及其調整機

¹ 根據張超雄議員於會後補充，調高申領長者綜援的合資格年齡，會令有需要並合資格申請的長者人數減少。

Dr Fernando CHEUNG supplemented after the meeting that raising the eligible age for elderly CSSA would reduce the number of elderly persons who were in need and eligible for elderly CSSA.

- 制；
- (b) 特別津貼的項目及其調整機制和水平；
 - (c) 長者及殘疾人士以個人身分申請綜援的安排；
 - (d) 放寬豁免入息的計算方法；及
 - (e) 醫療評估機制。

(Translation)

"The Comprehensive Social Security Assistance is the "safety net" under the social security system in Hong Kong. Given that the Government has not conducted any overall review of the CSSA system for years, resulting in the CSSA level being far from adequate in meeting the basic needs of members of the public, this Panel urges the Government to conduct an overhaul of the CSSA system which should cover the following areas:

- (a) re-assessment of the basic needs and review of the level of standard rates and its adjustment mechanism;
- (b) items which are covered by special grants and the adjustment mechanism and level of such grants;
- (c) arrangements for the elderly and people with disabilities to apply for CSSA on an individual basis; and
- (d) relaxation of the calculation of disregarded earnings; and
- (e) the medical assessment mechanism."

22. The Chairman put the motion to vote. All members present voted for the motion. He declared that the motion was carried.

23. Mr LEUNG Yiu-chung moved the following motion:

"綜合社會保障援助("綜援")計劃下的租金津貼與私人樓宇的租金水平差距甚遠，有近五成私樓綜援戶面對"超租"的困難，租金津貼調整機制未能反映綜援戶的實際租金支出。本委員會促請政府立即檢討有關機制，讓租金津貼水平足夠支

付九成私樓綜援戶的實際租金。"

(Translation)

Admin

"Given the great discrepancy between the rent allowance under the Comprehensive Social Security Assistance ("CSSA") Scheme and the rental level in private housing, nearly 50% of CSSA households living in private housing are facing the problem of paying a rent exceeding the rent allowance, whilst the adjustment mechanism for rent allowance cannot reflect the actual rent paid by CSSA households. This Panel urges the Government to immediately review the mechanism concerned, so that the level of rent allowance can cover the actual rent paid by 90% of CSSA households living in private housing."

24. The Chairman put the motion to vote. All members present voted for the motion. He declared that the motion was carried.

Submission of funding proposal to the Finance Committee

25. In response to the Chairman's invitation of views, members present supported in principle the submission of the relevant funding proposal to FC for consideration. Dr Fernando CHEUNG reiterated that the proposed adjustments of 1.2% and 1.3% respectively for standard payment rates and MRA could not reflect the changes in the living expenses of families in poverty. He called on the Administration to review the adjustment mechanism and hoped the Administration could give its views in this regard before submitting the relevant funding proposal to FC. Mr LEUNG Yiu-chung also requested the Administration to provide its response in writing to the three carried motions before submitting the relevant funding proposal to FC. Mr CHAN Chi-chuen said that the relevant funding proposal should be submitted to FC as early as possible and the discussion of the relevant funding proposal should not be placed after controversial works or staff establishment proposals. SLW agreed to provide a response to the relevant motions before the FC meeting in December 2017.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)449/17-18(01) on 4 December 2017).

VI. The Low-income Working Family Allowance Scheme
[LC Paper Nos. CB(2)233/17-18(05) to (06)]

26. At the invitation of the Chairman, SLW briefed members on the enhancements to the Low-income Working Family Allowance ("LIFA") Scheme (to be renamed as the Working Family Allowance ("WFA") Scheme from 1 April 2018) announced in the Chief Executive's 2017 Policy Address ("2017 PA") as well as the relevant arrangements for the Work Incentive Transport Subsidy ("WITS") Scheme.

Documentary proof of working hours

27. Mr CHAN Chi-chuen said that according to paragraph 6 of the Administration's paper (LC Paper No. CB(2)233/17-18(05)), the Working Family Allowance Office ("WFAO") accepted declarations of working hours in lieu of concrete proof from applicants who were self-employed persons, casual workers and applicants whose former companies had closed down. He asked whether declarations from applicants whose employers were unwilling to provide documentary proof of working hours would also be accepted. He also enquired whether there were unsuccessful applications involving applicants providing declarations of working hours. Head, Working Family and Student Financial Assistance Agency ("Head, WFSFAA") responded that LIFA applicants who were employees were required to provide documentary proof of working hours. However, such proof was not confined to proof signed by their employers. Documents such as salary slips and employment contracts showing the hours worked would also be accepted. Depending on the circumstances of individual cases, for example in the case of self-employed persons and casual workers, WFAO accepted applicants' declarations of hours worked. SLW supplemented that there was a suggestion that the Administration should approach employers and obtain proof of working hours for applicants. The Administration had explored the suggestion and considered that the Administration's involvement would not change the employers' minds and might cause inconvenience to the applicants.

28. Mr CHAN Chi-chuen said that the Administration's approaching the employers was a last resort to obtain proof of working hours. The Administration should accept declarations of applicants who were unable to obtain proof of working hours from their employers after making all reasonable efforts. Given that applicants were legally responsible for their declarations, the Chairman asked whether the Administration would consider assessing the applications based on an honour system. Head, WFSFAA responded that flexibility had been built into the system

to address the concern about the difficulties in providing proof of working hours. As there was a need to guard against abuse, the Administration should not rely solely on an honour system in assessing the applications. In response to Mr CHAN Chi-chuen's enquiry about whether applications without documentary proof of working hours would be rejected, Head, WFSFAA said that it would depend on individual circumstances. Given that the working hour requirement was one of the key eligibility criteria for LIFA, applicants who were employees should produce the relevant proof. The Deputy Chairman enquired about the number of applications which were not approved because the applicants had exceeded the income limit but met the working hour requirements. Head, WFSFAA responded that applications were not approved for various reasons which included failing to meet the working hour requirements (334 cases as at end-October 2017), exceeding the income limits (704 cases as at end-October 2017), exceeding the asset limits (166 cases as at end-October 2017), not responding to WFSFAA's requests for further information (3 315 cases as at end-October 2017), etc.

Facilitation measures for ethnic minority households

29. Dr Fernando CHEUNG said that the complicated application procedures and the difficulties in obtaining proof of working hours from employers had made many low-income families unwilling to apply for LIFA. Ethnic minorities ("EMs") had encountered more difficulties in applying for LIFA because of their language barriers. A survey conducted by Catholic Diocese of Hong Kong - Diocesan Pastoral Centre for Workers had indicated that many EM students were unclear about the information on student financial assistance and LIFA. According to the Administration's statistics on the poverty situation of EMs, the poverty rate of South Asian families with children and Pakistani families with children was 30.8% and around 45% respectively after policy intervention. SLW responded that the statistics quoted was the poverty situation of EMs in 2015. As the LIFA Scheme was launched in May 2016, the effect of the Scheme on the poverty situation could only be fully reflected in relevant statistics in 2017.

30. Taking the view that ineffective dissemination of information would deprive EM students of equal opportunities for learning which would worsen the problem of inter-generational poverty, Dr Fernando CHEUNG asked how the Administration would address the problems of ineffective dissemination of information to and language barriers of EMs. Head, WFSFAA responded that to facilitate EMs in applying for LIFA, WFAO began conducting briefing sessions in late 2015 on the LIFA Scheme for

EM groups before LIFA was open for applications. Various non-governmental organizations ("NGOs") which provided dedicated support for EMs had organized briefing sessions on the Scheme and WFAO staff were invited to attend 21 such sessions. To tie in with the enhancements to the LIFA Scheme which would be implemented on 1 April 2018, a new round of briefing sessions on the enhancements would be conducted in December 2017 for NGOs. To enable more members of the public to understand the enhancements, community briefings would be conducted on Saturdays and Sundays in March and April 2018. WFAO staff would be willing to attend briefing sessions arranged by NGOs, including EM organizations, even if they were to be held after office hours. In response to the Chairman's enquiry about the number of non-Chinese speaking households who had applied for LIFA, Head, WFSFAA said that as at 27 October 2017, applications from 1 041 EM households (involving 4 498 persons, of whom 2 259 were children or youths) had been approved. Of these approved applications, 533 were from Pakistani families.

31. Dr Fernando CHEUNG suggested that leaflets on the LIFA Scheme should be translated into the six EM languages and distributed to EM students directly via the Education Bureau. Head, WFSFAA responded that the Administration had not only given the aforesaid leaflets to EM students through schools but also reached out to EMs through various channels, e.g. visiting centres of EM groups to promote the Scheme before or after their religious rituals. The Chairman said that the number of EM applicants was small notwithstanding the Administration's efforts in facilitating their applications for LIFA. Apart from language barriers and the problem of information dissemination, the complicated application procedures and stringent requirements of LIFA also contributed to the low application rate from EMs.

32. Dr KWOK Ka-ki said that regular interpretation services should be made available at the Support Service Centre for EMs ("SSC") located at Kwun Tong and SSCs should be set up in all the 18 districts to facilitate EMs to apply for LIFA. The Chairman said that many concern groups had requested that one-stop offices should be set up in each of the 18 districts to strengthen its support for LIFA. Oath-taking services should be provided in these offices and the opening hours of these offices should be extended. SLW responded that the Administration had reservation about the cost-effectiveness of setting up one-stop offices in all the 18 districts. That said, the Administration would explore if it was feasible to consolidate various welfare services.

Additional allowance for eligible households living in private housing and having members with special needs

33. Dr Fernando CHEUNG said that the level of LIFA for eligible households living in private housing should be higher than those living in public rental housing in light of higher rental expenses borne by the former. Mr LEUNG Yiu-chung said that the working hour and income limit requirements had conflicted with the objective of the Scheme (i.e. encourage self-reliance of low-income families through employment) as families who worked long hours might earn an income above the income limits, and those who were unable to work long hours could not meet the working hour requirements. The objective of the Scheme was also in conflict with the Administration's policy on parent-child education. He further said that an additional allowance should be provided for eligible households having elderly members and/or members with chronic diseases, special educational needs and disabilities. The Child Allowance under the Scheme should not be tied to the applicants' meeting the working hour requirements. SLW responded that unlike the CSSA Scheme, the amount of allowance was set having regard to, inter alia, the income of LIFA households rather than their needs. The working hour requirements for Basic Allowance and Higher Allowance were 144 hours a month (around 36 hours a week) and 192 hours a month (around 44 hours a week) respectively. Labour groups generally considered that working 44 hours a week was reasonable.

34. Taking the view that carers of low-income families having elderly persons or members with special needs might not be able to work long hours, Dr KWOK Ka-ki said that the working hour requirements for these households should follow that of single-parent households. SLW responded that one of the major enhancements to the LIFA Scheme was that all household members would be allowed to aggregate their working hours. Besides, the Administration had implemented measures to assist some family carers, e.g. the Pilot Scheme on Living Allowance for Carers of Elderly Persons from Low Income Families and the Pilot Scheme on Living Allowance for Low-income Carers of Persons with Disabilities. The Administration would conduct a comprehensive review of these Pilot Schemes in 2018 with a view to drawing up a long-term plan for the provision of support for these carers. In conducting the review, the Administration would study how different assistance schemes for these carers could complement each other. In response to the Chairman's enquiry about whether the Administration would review and adjust the amount of allowance annually, SLW said that the Administration would review the amount of allowance at an appropriate time having regard to

the development of the Scheme.

Assessment on number of beneficiaries of Working Family Allowance

35. In response to the enquiries of the Deputy Chairman and Mr POON Siu-ping about the Administration's assessment on the number of beneficiaries of WFA, SLW responded that it was estimated that around 90 000 to 100 000 working families would benefit from WFA. The Deputy Chairman said that WFA should attract more applicants than LIFA because of the enhancements, but the estimated number of beneficiaries of WFA was far lower than that of LIFA which was 200 000 households. The Deputy Chairman wondered whether the Administration had over-estimated the number of beneficiaries for LIFA and asked about the basis for the Administration's estimation for the number of beneficiaries of WFA. SLW responded that the estimations for the number of beneficiaries for both LIFA and WFA had limitations as some information, such as the assets of families that might be eligible for the Scheme, was not known. A number of factors, such as the working hours, income and the eagerness of the families to apply, might also affect the application rate. The projection of the number of beneficiaries of WFA was based on the information gathered from the Administration's survey, which included the reasons why households that might be eligible had not applied for LIFA, the actual and estimated numbers of LIFA applications and the experience gained since the launch of the LIFA Scheme. The possibility that working families might be incentivized to apply for WFA because of the enhancements had also been taken into account in the estimation.

36. Mr KWOK Wai-keung said that The Hong Kong Federation of Trade Unions agreed to the direction of the WFA Scheme. Anticipating that the WFA Scheme would benefit more low-income families, he enquired about the Administration's aspiration of the Scheme. SLW responded that same as other Government policies, welfare policies would be reviewed as and when necessary. The Administration had made improvements to the LIFA Scheme having regard to the views of the public. The Administration would keep in view the implementation of the WFA Scheme and study further enhancements to the Scheme, if necessary.

Motions

37. Mr LEUNG Yiu-chung moved the following motion:

"本委員會要求政府簡化'低收入在職家庭津貼'的申請手續，容

許申請人自行申報工時及入息，當局有需要時可作抽樣調查。"

(Translation)

"This Panel requests the Government to simplify the application procedures for the Low-income Working Family Allowance and allow applicants to make self-declaration on working hours and income, which may be subject to random checks by the authorities if necessary."

38. The Chairman put the motion to vote. All members present voted for the motion. He declared that the motion was carried.

39. Mr LEUNG Yiu-chung moved another motion as follows:

"本委員會要求政府加強支援'低收入在職家庭津貼計劃'，於18區設立一站式辦事處，支援即場宣誓，並延長開放時間。"

(Translation)

"This Panel requests the Government to strengthen its support for the Low-income Working Family Allowance Scheme by setting up one-stop offices in each of the 18 districts to support on-site oath-making, and the opening hours of such offices should be extended."

40. The Chairman put the motion to vote. All members present voted for the motion. He declared that the motion was carried.

41. Dr Fernando CHEUNG moved the following motion:

"低收入在職家庭津貼的設計並沒有考慮一些有特別需要家庭的情況，包括家中有殘障人士、特殊學習需要(SEN)人士、長期病患者及長者等，他們的工時要求應與單親家庭看齊，工時門檻亦應降低至18小時及36小時，以對應這些特別需要家庭的現實狀況。"

(Translation)

"The design of the Low-income Working Family Allowance has not considered the situation of households with special needs, including

those having members with disabilities, special educational needs (SEN), chronic diseases and elders etc. The working hours requirement for them should be on par with that for single-parent households, and the working hour thresholds should be lowered to 18 hours and 36 hours, so as to address the actual situation of these households with special needs."

42. The Chairman put the motion to vote. He said that while Mr KWOK Wai-keung abstained from voting on the motion, the other members present were in favour of the motion. He declared that the motion was carried.

43. Mr KWOK Wai-keung said that he cast an abstention vote for this motion as he considered that lower working hour thresholds and LIFA could not help low-income families having members with special needs to tide over their financial difficulties. He hoped that the Administration could implement other measures to better assist these families.

Relevant arrangements for Work Incentive Transport Subsidy Scheme

44. Mr POON Siu-ping enquired about the staffing arrangements for and the workload of WFSFAA and LD after WFSFAA took up the processing of individual-based WITS applications from LD. SLW responded that LD would review its manpower starting from 1 April 2018 and manpower savings in LD would be expected when WFSFAA took up the processing of individual-based WITS applications on 1 April 2019. While additional manpower would be provided to WFSFAA, there would be overall savings in manpower. Assistant Commissioner (Development) supplemented that LD needed to continue to process outstanding household-based WITS applications and the continued individual-based WITS applications after the abolition of household-based WITS on 1 April 2018. LD and WFSFAA would liaise on the manpower arrangements for processing individual-based WITS applications by WFSFAA from 1 April 2019.

45. In response to Mr POON Siu-ping's enquiry about the way forward for the individual-based WITS, SLW said that the Administration recommended freezing all the income and asset limits of the WITS Scheme for the 2018 annual adjustment ("freezing proposal"). The Administration planned to review the WITS Scheme in the light of the implementation of the WFA Scheme and introduction of the non-means-tested Public Transport Fare Subsidy Scheme announced in the 2017 PA. In response to the Chairman's invitation of views, members

did not have any dissenting view on the Administration's freezing proposal.

VII. Looking into the governance issues of social welfare organizations in light of the Neighbourhood Advice-Action Council incident

[LC Paper No. CB(2)233/17-18(07)]

46. At the invitation of the Chairman, SLW briefed members on the staff retrenchment incident ("the Incident") of the Neighbourhood Advice-Action Council ("NAAC") in September 2017 and the governance of social welfare organizations. Director of Social Welfare ("DSW") highlighted SWD's follow-up actions for the Incident which were set out in paragraphs 13 to 17 of the Administration's paper (LC Paper No. CB(2)233/17-18(07)).

Follow-up actions for the Incident

47. The Chairman said that according to the Administration, SWD would consider submitting the case to the Lump Sum Grant Steering Committee ("LSGSC") for discussion and NAAC might be forbidden to bid for new subvented services for a certain period of time if NAAC was found not complying with the requirements of the Funding and Service Agreements ("FSAs"). He asked about the period of such a ban. DSW responded that LSGSC had not yet discussed the case. Subject to the outcome of the discussion, LSGSC would decide whether to impose penalties on NAAC and the form of penalties, if any.

48. Dr Fernando CHEUNG said that NAAC had an operating fund of \$600 million a year and \$400 million of which was funded by Lump Sum Grant ("LSG"). NAAC had a huge surplus in the past few years and because of the wrong decisions made by its management, 21 short-term projects had to put to halt. As a result, the disadvantaged groups and some NAAC frontline staff had to bear the brunt. Given that NAAC was accountable to its service users, termination of services at liberty was not commensurate with the code of practice and value of social workers. He opined that the way NAAC handled the matter was unscrupulous. He called on the Administration to examine the financial situation of NAAC critically. The foremost action the Administration should take was to require NAAC to continue with the 21 projects and avoid staff retrenchment as far as possible.

49. SLW responded that SWD would monitor services governed by FSAs to ensure that the requirements under FSAs were met. NGOs should seek SWD's agreement for providing services which were not governed by FSAs but were considered to be related to the services under FSAs ("related services"). NGOs should not use LSG subvention for providing services which they claimed to be related services without SWD's consent. Otherwise, it would be a breach of the principles of the LSG subvention. It was inappropriate for the Administration to provide funding for these services even if LSG subvention had already been used for their provision.

50. In response to the Chairman's enquiry about whether SWD had agreed to the use of LSG subvention for the 21 projects, DSW said that NAAC had not sought SWD's agreement to these projects beforehand. The Administration was very concerned about the impact of the termination of the 21 projects on service users and had asked NAAC to give an account of the succession of these services. NAAC had been making efforts in continuing these projects and not all these projects would be terminated. Two of these projects had been completed as scheduled. Some services would be handed over to related service units and some services would be scaled down to reduce expenditure. Many of these projects would be followed up by NAAC's permanent staff of regular services which were governed by FSAs. Future arrangements for the 21 projects were outlined in Annex 2 to the investigation report of the Ad Hoc Committee ("Investigation Report") formed by the Executive Committee of NAAC, which was uploaded onto the NAAC's homepage.

51. Dr Fernando CHEUNG said that many users of NAAC services were the disadvantaged and the Incident was detrimental to their interests. Nevertheless, NAAC had not attached importance to the well-being of service users. He called on the Administration to monitor NAAC closely and request NAAC to communicate directly with service users. DSW responded that as mentioned in the Investigation Report, NAAC had explained the Incident to service users between 7 November and 24 November 2017. NAAC would continue to visit the relevant service units to explain to service users the Incident and relevant arrangements for the projects. As NAAC was still working hard in drawing up the work arrangements for affected staff, it had not notified its staff of the relevant arrangements.

52. Dr Fernando CHEUNG said that NAAC had not convened any meeting with frontline staff so far. The management of NAAC had neither consulted its service users after the Incident nor informed them of

the termination of the 21 projects. The affected staff were not informed in writing of whether and when their contracts would be terminated. The Chairman said that to his understanding, NAAC had held general staff meetings as well as meetings for staff at officer grades. According to NAAC, frontline staff meetings would be convened soon.

Work arrangements for NAAC staff affected by the Incident

53. The Deputy Chairman said that according to some staff of NAAC who were affected by the Incident, information on the number of staff to be laid off provided by NAAC changed from time to time. As staff members were not informed of when the retrenchment would take place, they had a lot of anxiety. They wondered why SWD allowed NAAC to handle the matter in such a non-transparent manner. DSW responded that work arrangements for affected staff was one of SWD's primary concerns. NAAC understood its responsibility for their staff and had been communicating with affected staff at general staff meetings and had provided staff members with updated information. NAAC endeavoured to accommodate some affected staff by making arrangements for them to fill internal job vacancies, approached other organizations in the sector for assistance and liaised with other welfare organizations to look for job opportunities for the affected staff. There were currently 39 staff members in need of work arrangement. Comparable job vacancies available at various welfare organizations were more than 170, which had outnumbered the affected staff. SWD would maintain close contact with NAAC and welfare organizations concerned with a view to providing early assistance for affected staff.

54. SLW said that it was unfair to some frontline staff and service users who had to suffer from the Incident. The Incident had brought about concerns over the monitoring of NGOs under the LSG Subvention System ("LSGSS"). A Task Force had been set up under SWD to study how to optimize LSGSS and strengthening the monitoring of NGOs would be covered in the study. Taking the view that the Administration's early intervention might be useful in avoiding similar incidents, SLW said that the Task Force would explore how problems of NGOs could be identified earlier. In response to the Chairman's enquiry about the posts held by the 39 staff members whose work arrangements had not yet been finalized, SLW said that it was not suitable to provide such information openly as the liaison for finalizing the work arrangements for these staff members was still in progress. SWD would reflect the worries of affected staff to NAAC and discuss with NAAC how dissemination of information to their staff could be improved.

Taking over services affected by the Incident

55. The Deputy Chairman said that NAAC's services in Tung Chung were affected the most by the Incident and the affected staff had relayed to him their worries that SWD would not take care of the service needs of Tung Chung residents. They enquired about how SWD would improve the manpower planning for providing services in Tung Chung and how these services would be planned and monitored. They also asked how SWD would be accountable for the Incident. The Chairman said that Dr Fernando CHEUNG and he had met with NAAC's Executive Committee after the Incident. The Executive Committee hoped that SWD would consider providing funding for either NAAC or other welfare organizations for continuing the provision of the affected services in Tung Chung.

56. SLW responded that the Administration had the responsibility to ensure the continuity of services which had been agreed by SWD. However, providing funding for services which were not recognized by SWD was not an effective way of spending public money and monitoring NGOs. Acceding to the Executive Committee's request would set a bad precedent and if other NGOs followed suit, the situation would be uncontrollable. Given that some 200 cases and a large number of service users in Tung Chung were affected, the Chairman said that the Administration should treat the Incident as a special case and offer assistance having regard to the interests of service users. SLW reiterated the Administration's stance and said that the Task Force set up by SWD for optimization of LSGSS would study improvements to the monitoring of NGOs with a view to preventing recurrence of similar incidents.

Monitoring use of Lump Sum Grant subvention

57. The Chairman said that according to the Investigation Report, NAAC had spent a total of \$77 million on paying bonus to staff members in between 2014-2015 and 2016-2017. Noting that \$12 million was required to continue the 21 projects, he said that the Incident would not have taken place if NAAC had not paid such a large sum of bonus to its staff members. He wondered whether SWD was aware of the situation and enquired about SWD's role in monitoring NAAC's finance. DSW responded that under LSGSS, NGOs had flexibility in utilizing the subvention and autonomy in determining staff remuneration, including payment of incentive and cash allowances. Provision of incentive payments and allowances was quite common in the welfare sector but NGOs must ensure that the requirements of FSAs were met. NGOs were

required to submit their annual financial reports to SWD in October every year. These financial reports had been uploaded onto SWD's website starting from March 2017. According to its 2015-2016 financial report, NAAC had a large surplus. The Incident took place in September 2017 and NAAC was not required to submit its 2016-2017 financial report to SWD until October 2017. The Incident had reflected that the reserve of an NGO could plummet because of poor planning. It was therefore necessary for the Task Force to study long-term measures for monitoring the finance of NGOs. Increasing the frequency of examining financial reports of NGOs might also be considered.

58. Dr Fernando CHEUNG said that the Incident had revealed the problems of LSGSS. LSGSS emphasized output measurements and under LSGSS, NGOs' performance was measured in terms of the numbers of service units they operated and users they served. Some NGOs had increased their services in order to meet the output requirements. However, some of them did not hire additional staff for provision of such services so as to save the money for paying bonus. NAAC had used LSG subvention for providing services which were not recognized by SWD and paying a large sum of bonus. Some staff were laid off and 21 projects had to be terminated because of its poor financial management. The Administration should not allow such a wanton use of LSG subvention and should monitor the use of LSG subvention closely. He urged the Administration to critically examine the financial status of NAAC to see whether there was any room for it to deploy its existing LSG subvention to continue its services, especially for those services in Tung Chung. He also enquired about the mechanism to be adopted by the Administration in considering provision of LSG subvention for NAAC in future.

59. SLW responded that NGOs should gainfully deploy LSG subvention so as to meet the service standards and requirements stipulated in FSAs. NGOs were allowed to exceed FSA output targets with available resources. Some NGOs had used their LSG reserve for paying excessive bonus. Some had kept LSG reserve exceeding 25% of their operating expenditure and were required to return to the Administration the unused subvention above the 25% cap. The Administration would study how the monitoring system for LSG could be improved to address these problems and ensure effective provision of quality services by NGOs. Members' views in this regard were welcomed.

60. DSW responded that according to the LSG Manual, if NGOs anticipated financial difficulty, they should inform SWD as early as possible. According to past experience, actuarial studies were helpful to

NGOs in drawing up financial forecasts and devising staff remuneration policies for maintaining a robust financial position. As such, LSGSC encouraged NGOs which were worried about their financial status to make use of the Social Welfare Development Fund to conduct actuarial studies. At present, 11 NGOs had engaged consultants to conduct actuarial studies and the Administration would discuss with LSGSC promotion of actuarial studies to NGOs.

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61. The Chairman said that the Incident had revealed the governance problems of NAAC. He urged SWD to encourage NGOs receiving LSG subvention to participate in the Governance Platform Project which was launched by the Hong Kong Council of Social Service to assist NGOs in enhancing their governance. He further said that in 2013-2014, 26 NGOs did not have any LSG reserve. Expressing concern that NGOs having zero reserve might be a warning sign, he considered that special attention should be paid to these NGOs and enquired about the latest number of NGOs which had zero LSG reserve. SLW responded that there were currently 10 such NGOs. He said that zero reserve could be an indicator of areas which required monitoring and issues relating to the level of LSG reserve to be kept by NGOs should be studied. At Dr Fernando CHEUNG's request, SLW undertook to provide the number of NGOs which kept LSG reserve exceeding 25% of their operating expenditure and were required to return to the Administration the unused subvention above the 25% cap as well as the total amount of LSG reserve kept by all NGOs receiving LSG subvention.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)609/17-18(01) on 2 January 2018.)

VIII. Any other business

62. There being no other business, the meeting ended at 12:49 pm.

Council Business Division 2
Legislative Council Secretariat
18 January 2018