

立法會
Legislative Council

LC Paper No. CB(2)1439/20-21
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 19 April 2021, at 10:45 am
in Conference Room 1 of the Legislative Council Complex

Members present : Dr Hon CHIANG Lai-wan, SBS, JP (Chairman)
Hon YIU Si-wing, BBS (Deputy Chairman)
Hon Starry LEE Wai-king, SBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon KWOK Wai-keung, JP
Hon POON Siu-ping, BBS, MH
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Dr Hon Pierre CHAN
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Dr Hon CHENG Chung-tai
Hon Vincent CHENG Wing-shun, MH, JP

Member attending : Hon SHIU Ka-fai, JP

Public Officers attending : Items III, IV and V
Mr HO Kai-ming, JP
Under Secretary for Labour and Welfare

Item III

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

Ms Alice WONG May-yin
Principal Executive Officer (Working Family
Allowance Office)
Working Family and Student Financial Assistance Agency

Item IV

Ms Barbara CHU Wing-chee
Assistant Director (Planning and Development)
Social Welfare Department

Mr Andy LIU Hon-wah
Chief Executive Officer (Planning)1
Social Welfare Department

Item V

Mr KOK Che-leung
Deputy Director of Social Welfare (Administration)

Clerk in attendance : Ms Maisie LAM
Chief Council Secretary (2) 3

Staff in attendance : Ms Catherina YU
Senior Council Secretary (2) 3

Mr Roger CHUNG
Council Secretary (2) 3

Miss Alison HUI
Legislative Assistant (2) 3

Mr William LEE
Legislative Assistant (2) 8

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

[LC Paper No. CB(2)980/20-21(01)]

Members noted that a letter dated 14 April 2021 from Dr CHENG Chung-tai requesting the Panel to discuss issues relating to children welfare and protection for children had been issued since the last meeting.

II. Items for discussion at the next meeting

[LC Paper Nos. CB(2)961/20-21(01) and (02)]

2. Members agreed to discuss the subject "Welfare initiatives and support services relating to the growth and development of children and youth" at the next meeting scheduled for 10 May 2021 at 10:45 am. Referring to Dr CHENG Chung-tai's letter dated 14 April 2021 (LC Paper No. CB(2)980/20-21(01)) and the recent concerns of the community on issues relating to child abuse, the Chairman said that the Clerk would follow up with the Administration as to whether it would be in a position to discuss the subject at the above meeting.

(Post-meeting note: With the concurrence of the Chairman and the Administration, the subject "Formulating a mandatory reporting mechanism for child abuse cases and strengthening the prevention of child abuse" has been added to the agenda for the above meeting.)

III. One-off extra allowance to recipients of social security payments, Working Family Allowance and Individual-based Work Incentive Transport Subsidy

[LC Paper Nos. CB(2)961/20-21(03) and (04)]

3. At the invitation of the Chairman, Under Secretary for Labour and Welfare ("USLW") briefed members on the arrangements for the provision of a one-off extra allowance to recipients of social security payments, Working Family Allowance ("WFA") and Work Incentive Transport Subsidy ("WITS") as proposed in the 2021-2022 Budget, details of which were set out in the Administration's paper (LC Paper No. CB(2)961/20-21(03)).

4. Members noted the updated background brief prepared by the Legislative Council ("LegCo") Secretariat (LC Paper No. CB(2)961/20-21(04)) on the subject under discussion.

(The Deputy Chairman took the chair at 10:51 am in the absence of the Chairman.)

One-off extra allowance for recipients of Working Family Allowance and Work Incentive Transport Subsidy

5. The Deputy Chairman noted that applications for WFA had to be made every six calendar months and each claim period covered the past six months. Given that some WFA applicants were facing unstable employment under the coronavirus disease 2019 ("COVID-19") epidemic, he asked whether an applicant needed to furnish the Working Family Allowance Office ("WFAO") with updated information on his/her income or working hours after submission of application. Principal Executive Officer (Working Family Allowance Office) ("PEO(WFAO)") explained that the claim period for WFA covered the immediate past six calendar months before the submission of the application. Each applicant's eligibility was assessed on the basis of information and documentary proof provided for the respective month in the claim period. An applicant would be granted the allowance for the month in which the eligibility criteria were met.

6. To enable more working families in need to benefit from WFA, the Deputy Chairman called on the Administration to make exceptional arrangement in the current financial year by reducing the claim period to cover the immediate past three calendar months instead of the immediate past six calendar months before submission and handling the monthly working hour requirements with flexibility. USLW said that reducing the claim period by three months would substantially increase the number of applications and hence demand more manpower to process the applications. There would be additional financial implications in relaxing the working hour requirements. The Administration would explore deploying additional manpower to WFAO with a view to expediting the processing of the increasing WFA applications. PEO(WFAO) added that in view of the epidemic, WFAO had exercised discretionary arrangements to extend the deadline for receiving WFA applications and handle late applications having regard to the special circumstances of individual cases. In response to Mr POON Siu-ping's enquiry about whether additional manpower would be needed for processing the one-off extra allowance under the WFA Scheme, PEO(WFAO) replied that the processing work would be absorbed by the existing manpower.

7. Mr POON Siu-ping sought information about the Administration's estimation that about 70 000 households in receipt of WFA would benefit from the one-off extra allowance arrangement. He noted that some 232 000 households had applied for WFA from 1 April 2019 to 28 February 2021.

PEO(WFAO) advised that from the launch of WFA on 1 April 2018 to 28 February 2021, WFAO had received about 330 000 WFA applications and approved around 290 000 applications which involved some 83 000 households. The one-off extra allowance would be payable to households in receipt of WFA whose applications were made during the applicable period (i.e. from the first day of the month in which the Appropriation Bill 2021 ("Appropriation Bill") was passed to the date of passage of the Appropriation Bill; and the six calendar months before that month) and eventually approved. It was estimated that about 70 000 households in receipt of WFA would benefit from the arrangement, which was comparable to the statistics that there were some 68 000 applications during the period from April to September 2020.

8. Given that the additional expenditure incurred in the one-off extra allowance for recipients of WFA and WITS would not be substantial, Mr LEUNG Che-cheung held the view that the Administration should relax the requirement and simplify the procedures in order to avoid incurring high administrative costs in processing the applications. In the light of the prevailing under-employment situation and the one-off nature of the extra allowance, he suggested that existing recipients of WFA and WITS should automatically be eligible for the one-off extra allowance. USLW responded that as the policy objective of the WFA Scheme and the WITS Scheme was to encourage employment, applicants were required to provide, among others, proof of household income, assets and working hours when they submitted their applications for WFA and WITS.

Eligibility of recipients of the Guangdong Scheme and Fujian Scheme

9. Mr LEUNG Che-cheung asked whether the eligibility of recipients of the Guangdong ("GD") Scheme and Fujian ("FJ") Scheme for the one-off extra allowance would be affected if they did not satisfy the residence requirements under the Schemes owing to the COVID-19 epidemic. Referring to a case whereby the Social Welfare Department ("SWD") had requested a recipient of the GD Scheme to attend a review interview in Hong Kong, he considered that the Administration should make appropriate arrangements to obviate the need for recipients of the GD Scheme and FJ Scheme to return to Hong Kong in-person under the epidemic.

10. Assistant Director (Social Security), SWD ("AD(SS)") advised that in the light of the epidemic, applicants under the GD Scheme and FJ Scheme could submit their applications by post starting from 14 February 2020. SWD would disregard absence from Hong Kong by applicants and

recipients of the two Schemes who failed to satisfy the residence requirement or the permissible limit of absence from GD or FJ owing to the epidemic. For cases due for review, SWD had appointed agents to conduct the review in GD and FJ. She could follow up the case mentioned by Mr LEUNG Che-cheung if more details could be provided after the meeting.

Disbursement of payments

11. Noting that the Administration's plan was to disburse the one-off extra allowance a month after the passage of the Appropriation Bill, Mr Wilson OR urged the Administration to make the disbursement as early as possible by making use of a super computer system. Pointing out that similar relief measures had been implemented in the past and the Administration should already have the recipients' bank account information, Mr POON Siu-ping called on the Administration to advance the disbursement to two weeks after the passage of the Appropriation Bill.

12. USLW and AD(SS) advised that upon receiving the required funding from the Treasury after the passage of the Appropriation Bill, the Administration would make arrangement to ensure that the one-off extra allowance would be disbursed to around 1.35 million recipients on the same day. Given the large number of recipients, SWD and WFAO required some time to adjust their computer systems and make necessary arrangement with banks. In the last provision of one-off extra allowance, payments were made to recipients around one month after the passage of the Appropriation Bill 2020. To shorten the lead time significantly would require a revamp of the existing computer systems. That said, the Administration would strive to expedite the disbursement of payments in the current exercise.

Initiative to reform the Old Age Living Allowance

13. Mr Michael TIEN was concerned that the livelihood initiative of combining the Normal and Higher Old Age Living Allowance ("OALA") with the adoption of the higher payment rate of OALA (i.e. the Higher OALA currently at \$3,815 per month) and the raising of the standardized asset limits (to the level of \$500,000 for elderly singletons and \$750,000 for elderly couples) as announced by the Chief Executive in January 2020 had yet been implemented. Referring to the recent remark of the Administration that it would reassess the timing of implementing the initiative in the light of its financial implications, he enquired about the estimated additional recurrent expenditure to be incurred and the implementation timetable.

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14. USLW advised that some 50 000 current recipients of Normal OALA could receive the higher payment rate upon implementation of the initiative and an additional 100 000 elderly persons would become eligible for OALA due to the upward adjustment of asset limits. The Administration would announce the assessment outcome at an appropriate juncture. In response to the Deputy Chairman's enquiry about the estimated number of eligible elderly persons applying for OALA after the initiative was implemented, USLW advised that past experience indicated that most if not all of the eligible elderly persons would apply. Considering it unreasonable for the Administration to take more than a year to assess the financial implications, Mr Michael TIEN requested the Administration to advise in writing the timetable for implementing the initiative, in particular whether the initiative would be implemented within the current term Government.

Review of the Comprehensive Social Security Assistance Scheme

15. Mr Wilson OR held the view that a comprehensive review of the Comprehensive Social Security Assistance ("CSSA") Scheme should be conducted in order to better meet the needs of various disadvantage groups in the community. He enquired whether the Administration had any plan to review the mechanism and methodology for the annual adjustment of the standard payment rates under the CSSA Scheme.

16. Taking note of the suggestion, USLW advised that the standard payment rates under the CSSA Scheme would be adjusted in accordance with the inflation or deflation as reflected by the Social Security Assistance Index of Prices, which was compiled by the Census and Statistics Department on a monthly basis to reflect the impact of price changes of all essential items on CSSA recipients, for the past 12 months on an annual basis. Separately, the Administration had reviewed from time to time various components of the CSSA Scheme. A case in point was that in addition to its annual adjustment based on the movement of the rent index, the maximum rates of the rent allowance under the CSSA Scheme had been increased by approximately 3% to 27% on a one-off basis with reference to eligible members in the household starting from 1 July 2020.

IV. Annual briefing on welfare facility projects funded by the Lotteries Fund

[LC Paper Nos. CB(2)961/20-21(05) and (06)]

17. At the invitation of the Deputy Chairman, USLW briefed members on new welfare facility projects which the Administration planned to seek

funding from the Lotteries Fund ("LF") in 2021-2022 and the latest development of projects reported in the last annual briefing on 11 May 2020, details of which were set out in the Administration's paper (LC Paper No. CB(2)961/20-21(05)).

18. Members noted the updated background brief prepared by the LegCo Secretariat (LC Paper No. CB(2)961/20-21(06)) on the subject under discussion.

Construction costs of residential care homes for the elderly

19. Mr Holden CHOW noted from Annex 2 to the Administration's paper that the estimated construction costs of 100-place residential care homes for the elderly ("RCHEs") located in public housing developments varied greatly. For instance, the estimated construction cost of the one located in the public housing development at North West Kowloon Reclamation Site (East) in Sham Shui Po with a site area of about 1.5 ha was \$67.33 million, whereas that of the one located in the public housing development at Pak Shek Kok in Tai Po with a site area of 3.32 ha (which was about double that of the former) was about \$75.27 million. He enquired about the reasons for the difference in the estimated construction cost per square meter.

20. Assistant Director (Planning and Development), SWD ("AD(PD)) clarified that the estimated construction costs set out in the aforesaid Annex applied only to the RCHEs concerned but not other facilities to be set up at the development sites. The Architectural Section of SWD would assess the cost estimates submitted by the Housing Department (being the works agent of the projects) for the RCHEs concerned to ensure that the cost estimates were reasonable. While the construction costs of the public housing developments would be affected by factors such as the conditions of the sites and complexity of the site formation works and piling works, the average construction cost for a 100-place RCHE ranged from \$70 million to \$80 million.

Planning for provision of welfare facilities

21. Noting that a number of the welfare facilities being funded by LF were for the provision of elderly service places, Mr LEUNG Che-cheung was of the view that the Administration should also accord priority to providing child care facilities which were in acute demand as demonstrated by the 100% average utilization rates of most aided child care centres ("CCCs") for children aged below three. Expressing concern that there was still a shortfall of child care service places in all districts albeit a population-based

planning ratio in respect of CCC places had been incorporated into the Hong Kong Planning Standards and Guidelines ("HKPSG"), he called on the Administration to make CCCs a standard provision under future public housing development projects as well as those which were in the planning stage. In addition, the Labour and Welfare Bureau should relay to the Development Bureau and the Planning Department the need for addressing the demand for child care services in various districts.

22. USLW advised that with the incorporation of the planning ratio for aided CCC places into HKPSG in March 2020, the relevant government departments would strive to reserve suitable premises during the planning process of new development projects for the construction of CCCs to better meet the service demands in new communities. The above apart, the Administration had all along been adopting a multi-pronged approach to identify suitable sites or premises for accommodating aided CCCs such as through public housing development projects or purchase of premises from the private market for the provision of welfare facilities. AD(PD) supplemented that apart from seeking funding from LF, the construction cost of those welfare facilities in public housing developments with a project estimate not exceeding \$50 million (including CCCs) would be met by Block Allocation of the Capital Work Reserve Fund ("CWRF") Head 708 Subhead 8001SX. With regard to the welfare facility projects listed in Annex 2 to the Administration's paper, the construction costs of three aided CCCs would be funded by CWRF.

23. Ms Starry LEE expressed concern that the long-standing problem of long waiting time for RCHE places would exacerbate in the face of the ageing population. She enquired about the Administration's work in response to the motion passed by the Panel at its meeting on 11 May 2020 urging the Administration to review the procedures for implementing LF-funded projects comprehensively so that social welfare initiatives which had been under planning for years, especially projects related to elderly and rehabilitation services, could be implemented and commissioned as soon as possible.

24. USLW and AD(PD) advised that efforts had been and would continuously be made by SWD to earmark suitable sites in public housing development projects, urban renewal projects and private land development projects for providing welfare facilities. As announced in the Chief Executive's 2020 Policy Address, the Government had invited the Hong Kong Housing Authority and the Hong Kong Housing Society to reserve about 5% of the total domestic gross floor area in future public housing development projects exclusively for welfare uses, in particular RCHEs. Currently, about 2% of the total gross floor area in public housing

development projects was for welfare uses. It was estimated that the new measure would bring about a substantial increase of 10 000 RCHE places, subject to review of the technical feasibility of implementing the measure in individual projects. It should be noted that public housing development projects normally took around 10 years to complete from the initial planning stage. Hence, these additional places would be provided under those projects with completion dates in the second five years period, i.e. from 2025-2026 onwards and beyond. Ms Starry LEE opined that the time required for increasing RCHE places was still too long.

25. Noting that the Administration had obtained funding from LF from 2018-2019 to 2020-2021 for 36 welfare facility projects but only planned to seek funding from LF in 2021-2022 in respect of seven new welfare facility projects listed in Annex 1 to its paper, the Deputy Chairman asked whether the number was lower than the planned target to meet the demand of the disadvantaged groups for welfare facilities. USLW stressed that when compared with previous terms Government, the current term Government had provided a larger number of RCHE places in the pipeline. AD(PD) supplemented that as explained at the earlier part of the meeting, not all welfare facility projects would be funded by LF. The construction cost of certain welfare facilities would be met by the Block Allocation of CWRP. As another means to provide welfare facilities, SWD had worked with the Development Bureau to identify suitable land sale sites and require private developers through land sale conditions to design and construct bare-shell premises for proposed welfare facilities according to SWD's specifications.

26. The Deputy Chairman enquired about the role of the developers in providing welfare facilities under the development projects where they were the works agents. AD(PD) advised that the welfare facilities concerned would be constructed by the developers and the construction costs be reimbursed by LF upon satisfactory completion of relevant works. The facilities would become government premises and non-governmental organizations ("NGOs") would be engaged for arranging fitting-out works and operation of the facilities.

27. Expressing concern that only two out of the seven welfare facility projects planned to seek funding from LF in 2021-2022 had mapped out the estimated service commencement date, Mr POON Siu-ping called for expediting the implementation progress of all LF-funded welfare facility projects. USLW assured members that the Administration would compress the implementation timetable as far as practicable. Noting that five projects planned to seek funding from LF in 2021-2022 had yet gone through the public consultation procedure, the Deputy Chairman was concerned about

whether their implementation would be delayed by the public consultation procedure. AD(PD) replied that public consultation for individual projects would be carried out at suitable junctures.

V. Injection into the Lotteries Fund
[LC Paper No. CB(2)961/20-21(07)]

28. The Deputy Chairman reminded members that in accordance with Rule 83A of the Rules of Procedure, they should disclose the nature of any direct or indirect pecuniary interests relating to this financial proposal before they spoke on the subject.

29. At the invitation of the Deputy Chairman, USLW briefed members on the Administration's proposal to inject \$1.1 billion into LF, details of which were set out in the Administration's paper (LC Paper No. CB(2)961/20-21(07)).

Financial position of the Lotteries Fund

30. Mr LUK Chung-hung noted that the reason for the proposed injection into LF was due to the substantial decrease in the proceeds from the Mark Six Lottery, which had all along been the main source of recurrent revenue of LF, in 2020-2021 under the COVID-19 epidemic. He enquired whether the Administration had discussed with the Hong Kong Jockey Club about the ways to maintain the proceeds from Mark Six Lottery after the epidemic had mitigated. Raising a similar question, the Deputy Chairman sought explanation as to the reason why the proposed injection had to be amounted to \$1.1 billion, which equaled to roughly half of the amount of the average annual revenue of LF (i.e. \$2.1 billion) for the four financial years before the epidemic, if LF had recorded a surplus in the past financial years.

31. USLW and Deputy Director of Social Welfare (Administration) ("DDSW(A)") advised that the proposed injection into LF sought to ensure that the planning of much-needed welfare service premises would not be affected by the temporary drop in the LF's revenue and the relevant projects could proceed as scheduled. DDSW(A) advised that the revised estimate for the closing balance of LF for 2020-2021 was \$21.102 billion. The balance would however be reduced to around \$8 billion after deducting the outstanding commitments which were estimated to be around \$13 billion as at February 2021. It was expected that the \$1.1 billion injection would benefit some 40 welfare projects in the pipeline which would seek funding from LF in the coming two years for pre-construction consultancy services.

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32. Noting that the \$13 billion outstanding commitment of LF covered, among others, non-recurrent resources for construction and pre-construction consultancy services of the planned projects spearheaded by SWD and approved projects undertaken by NGOs under the Special Scheme on Privately Owned Sites for Welfare Uses ("Special Sites Scheme"), Mr Holden CHOW requested the Administration to provide, when it submitted the relevant financial proposal to the Finance Committee ("FC"), a list of these projects. USLW advised that in respect of projects under the Special Sites Scheme, funding amounting to \$541 million had been granted from LF as at March 2021. Six projects had been completed and 23 projects were at the technical feasibility study stage or pre-construction detailed design stage.

33. The Deputy Chairman enquired whether the remaining balance of LF after deducting the outstanding committed funds was non-committed funds and whether the proposed injection of \$1.1 billion would be a one-time injection that no additional injection would be required in the next one or two years. DDSW(A) advised that under the established mechanism, the remaining balance amounting to \$8 billion would be used for funding the construction of the new welfare projects; purchase and installation of equipment for newly constructed welfare facilities; and experimental projects on social welfare services, etc. There was a need to inject \$1.1 billion into LF to ensure that technical feasibility studies and detailed designs of facilities for elderly and rehabilitation services could be taken forward as scheduled. The Administration would closely monitor LF's financial position, including the revenue and expenditure of LF, as well as the financial commitments required of various social welfare services projects.

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34. Noting that the investment income of \$684 million accounted for 36% of the total receipts of LF for the 2019-2020 financial year, Mr LUK Chung-hung enquired about the investment strategies adopted for LF to ensure its long-term financial sustainability. Mr Holden CHOW sought information on the investment income and other receipts of LF in the past five financial years. DDSW(A) advised that the assets of LF had been placed with the Exchange Fund for investment purpose. The Administration would lay before LegCo the accounts of LF on an annual basis. Ms Starry LEE expressed concern that the Administration's paper lacked details on the movement of the accounts and commitments of LF to facilitate members' consideration of the financial proposal. USLW advised that the paper provided by the Administration for agenda item IV above and the Estimates of Expenditure 2021-2022 had shed light on the projects

funded by and the detailed accounts of LF.

Monitoring of project costs

35. Ms Starry LEE enquired about the project cost requirements of LF-funded works projects and the mechanism for monitoring the project costs. DDSW(A) advised that NGOs applying for funding from LF were required to provide in the applications the estimated project costs, and invite consultants to submit fee proposals based on the scope of works and design of the projects through open tendering. The Architectural Section of SWD and the Architectural Services Department would evaluate the cost-effectiveness of the projects and provide technical advice on whether the estimates were comparable to projects of similar scale in the market. Open tendering exercises had to be conducted at the detailed design stage. The tender report and budget reconciliation would be examined by the Administration. In the process, SWD would consult relevant bureaux and government departments where appropriate. Upon completion of the works, NGOs were required to submit the final project accounts for examination by the Administration.

36. Ms Starry LEE asked whether the Administration had evaluated the cost-effectiveness of these projects by comparing their costs with those of similar projects in the market. DDSW(A) advised that the majority of the LF-funded welfare facility projects were completed within the original cost estimate.

Conclusion

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37. In closing, the Deputy Chairman concluded that the Panel did not object to the submission of the financial proposals to FC for consideration, and the Administration should provide in its paper for submission to FC the information requested by members as set out in paragraphs 32 and 34 above.

VI. Any other business

38. There being no other business, the meeting ended at 12:28 pm.