

Minutes of the
Social Welfare Advisory Committee (SWAC) Meeting
held on 26 September 2002 (Thursday)

Present

Mr Peter Wong Hong-yuen (Chairman)

Mr Darwin Chen

Mrs Cheung Ang Siew-mei

Dr Philemon Choi Yuen-wan

Miss Christine Fang Meng-sang

Mr Keith Lam Hon-keung

Dr the Hon Law Chi-kwong

Mr Wilfred Lee Chee-wah

Dr Leung Cho-bun

Mrs Mary Leung Ling Tien-wei

Mr Poon Huen-wai

Mr Wan Chi-keung

Miss Deborah Wan Lai-yau

Mr Wilfred Wong Ying-wai

Mr Stephen Yau How-boa

Mr Peter Dicky Yip

Miss Jessie Yu Sau-chu

Miss Katharine Choi (Secretary)

In Attendance

Health, Welfare and Food Bureau (HWFB)

Mrs. Carrie Yau	Permanent Secretary for Health, Welfare and Food
Mr Robin Gill	Deputy Secretary for Health, Welfare and Food

Social Welfare Department (SWD)

Mrs Patricia Chu	Deputy Director of Social Welfare (Administration)
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(For item 3)

Mr. Lee Sheung-yuen	Assistant Secretary for Home Affairs (3) 2
Mr. Bob Tong	CEO(Licensing), TELA
Ms Maggie Lam	Licensing Officer (A) 21, TELA

(For item 4)

Mr. Kenneth Chan	Assistant Secretary for Health, Welfare and Food (Welfare)1
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(For item 5)

Mrs. Grace Ng	Project Management Officer
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(1) Way Forward for Internet Computer Services Centres and Amusement Game Centres

[SWAC Paper No. 16/02]

Members were invited to provide views on the proposed relaxation of the Amusement Game Centres (AGC) Ordinance, in view of the advance in technology and change in business environment, as well as the three possible options for regulating the Internet Computer Services Centres (ICSCs).

2. Members made the following comments:

(a) they generally agreed that legislative control on ICSCs and AGCs should be flexible, to allow capacity to accommodate future social developments and advance in technology;

(b) it was suggested as an option, that the ICSCs could be regulated by modifying the existing AGC Ordinance;

(c) it was considered that exemptions should be granted to existing welfare service units which provided Internet access to service recipients;

(d) there were views that that the opening hours of ICSCs for young clients should be restricted and that the ban on students in school uniform be maintained;

(e) reservations were expressed on allowing AGCs to provide non-cash prizes, on allowing students in school uniform to enter adult AGCs, and on the proposed reduction of AGC licence fees;

(f) there was support for allowing the establishment of an AGC within 100 metres of an existing AGC, as well as maintaining the regulation that an AGC could not be established within a radius of 100 metres from an educational institution;

(g) there was concern about the social impact of the possible proliferation of AGCs, facilitated by the relaxation of legislative control;

(h) there were views that information should be made available regarding the profile of ICSCs' clients and their pattern of consumption at ICSCs, which was essential for projecting the social, educational and psychological impact of ICSCs on youth and society at large; and

(i) it was considered that the regulatory proposal on ICSCs and the proposed relaxation of the AGC Ordinance should be considered in greater detail, taken account of the social impact of ICSCs and AGCs.

3. The Government's response included:

(a) it was the Government's intention to focus control on the commercial operation of ICSCs. Welfare service units providing Internet access would not be the targets;

(b) the legislative options of regulating ICSCs would be further explored;

(c) given the prevalence of the Internet, it was not feasible to deal with the social impact of the Internet as a whole, in the context of regulating ICSCs;

(d) the social impact of relaxing the control on AGCs would be carefully assessed in taking the matter forward.

4. The meeting concluded that the regulation of such entertainment establishments should be considered in a holistic manner, and that the Home Affairs Bureau should consider mapping out a general and comprehensive plan to regulate all of these establishments.

(2) Control of Charitable Fund-raising Activities

[SWAC Paper No. 17/02]

5. The paper informed that the Administration had explored the legislative route for the control of charitable fund-raising activities, and it was found that legislation would likely not be an effective means, in view of the complexity and technical difficulties involved in drafting the law and related enforcement aspects. In addition, in the light of the rare occurrence of fraudulent cases, and the existing legal controls against

irregularities, the Administration considered it more advisable to proceed with administrative means. Proposed administrative measures included encouraging fund-raisers to comply with the Reference Guide for NGOs on Best Practice to be drawn up; setting up a public register of charitable fund-raisers who pledged and demonstrated compliance with the Reference Guide; and making the register available for public inspection.

6. Members made the following points:

(a) the proposed administrative approach was supported, and it was considered that such activities should not be regulated by legislative means;

(b) it was considered that the key objectives of regulation were to ensure that such activities were operated with appropriate transparency, and that the funds raised were used for the stated purpose;

(c) in view of the fact that several Departments were involved in regulating fund-raising activities, there were views that the Government should establish a clear and integrated regulatory framework to plug possible loopholes arising from the different controls. Such a framework, as well as relevant measures should be streamlined to encourage and facilitate bona-fide fund-raising;

(d) there were views that the control on the granting of tax exempt status under section 88 of the Inland Revenue Ordinance should be tightened, and a consistent and inter-departmental approach should be adopted to ensure that departments' views were properly sought and taken into consideration during the assessment process. It was considered that the Government should require fund-raisers or organizations granted tax-exempt status, to disclose sufficient information about their financial position for public inspection;

(e) it was suggested that complementary efforts from the non-governmental sector on self-regulation and self-discipline should be

encouraged. A non-governmental accreditation body for fund-raisers was suggested in this connection; and

(f) the proposal to establish a public register was supported as it was expected to help enhance the public's confidence in fund-raising activities.

7. The Government's response included:

(a) on regulating fund-raising activities, care would be taken to strike a balance on the stringency of control, in order not to stifle genuine charitable fund-raising activities;

(b) the ongoing Ombudsman's investigation might shed some light on the current practice that different Departments enforced their control regimes for different policy objectives;

(c) as regards the grant of tax-exempt status, relevant bureaux/ departments (including the HWFB and SWD) would work with the Inland Revenue Department and would seek to provide advice and input, as appropriate;

(d) the Government had worked with the Hong Kong Society of Accountants, on the necessary internal financial controls for charitable organizations, and it intended to continue the dialogue with the Society to further strengthen the financial control mechanism on those organizations wishing to be placed on the new register;

(e) the Government was keen to work in conjunction with the Hong Kong Council of Social Service on the possible self-regulation and self-discipline initiatives for the non-governmental sector, and the proposed non-governmental accreditation body for fund-raisers could be considered at a later stage, after the introduction of the public register;

(f) regarding the public register, fund-raisers would be required to pledge and demonstrate their compliance to the Reference Guide before they were included on the register;

(g) all organisations demonstrating compliance with the Reference Guide, whether they were local or overseas organisations, would be considered for inclusion on the register; and

(h) in the light of the vast number of fund-raising activities and bodies, the register would only initially concentrate on those charitable fund-raisers from the welfare sector.

8. The meeting concluded that while the proposed administrative means to strengthen regulation were supported, efforts from the non-governmental sector, including self-regulation and monitoring, should be encouraged.

(3) Community Investment and Inclusion Fund (CIIF)

[SWAC Paper No. 18/02]

9. Members were informed of the latest progress of the CIIF, including preparatory work taken between February and August 2002, the invitation for applications launched in August 2002, support provided for potential applicants, as well as the assessment criteria, procedures and structure to be adopted in assessing applications. Members also noted that experience sharing and knowledge transfer sessions would be organized for participants and other relevant parties, which would itself be key processes to promote social capital.

10. Members commented that with further promotion and strengthening of the partnership scheme model, which underpinned the concepts of mutual help and networking across sectors, the scheme could substantially benefit the whole society. The meeting concluded that the SWAC should be kept informed of progress of the operation of the Fund.

Health, Welfare and Food Bureau

October 2002