

**Report on
Long-term Social Welfare Planning in Hong Kong**

Social Welfare Advisory Committee
July 2011

Report on Long-term Social Welfare Planning in Hong Kong

With the completion of the study on the long-term social welfare planning in Hong Kong, the Social Welfare Advisory Committee (SWAC) now submits the report on its findings and recommendations for consideration by the Administration.

During the study, SWAC conducted two rounds of consultations with the welfare sector and other stakeholders and set up a dedicated Task Group on Welfare Planning (the Task Group) to examine in detail issues relating to welfare planning. The completion of the study owed much to the support and assistance from all stakeholders, including social welfare non-governmental organisations (NGOs), self-help groups and service user groups, staff and trade unions of the welfare sector, academic institutions, business associations and professional bodies, the Labour and Welfare Bureau (LWB), the Social Welfare Department (SWD), as well as other relevant Government departments and advisory committees. We are most grateful for the invaluable comments and suggestions put forward by the welfare sector and other stakeholders during the consultation period.

In preparing this report, we have carefully considered the views collected during the consultation period, and analysed the information and data pertinent to the demographic structure and change, social development and provision of welfare services in Hong Kong. We aim to develop a blueprint for future social welfare planning from a macro and holistic perspective. I sincerely hope that our recommendations will be able to facilitate the sustainable development of the social welfare policies and services in Hong Kong.



CHAN Yuk-shee
Chairman, Social Welfare Advisory Committee
July 2011

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Summary

Study and consultation on long-term social welfare planning

1. In view of the rapidly changing social and economic environment in Hong Kong and increasing complexity of social problems, the Chief Executive announced in the Policy Agenda in October 2007 that a study on the long-term development and planning of social welfare in Hong Kong would be conducted through SWAC to ensure that social welfare policies and services in Hong Kong could provide timely and effective response to the changing welfare needs of society.

2. SWAC considers that a prerequisite to establishing a sound social welfare system is for the Administration to set out a clear set of mission, fundamental values, guiding principles and strategic directions in long-term welfare policies and development as the basis for formulating welfare policies and services, and to introduce a flexible welfare planning mechanism that allows for timely adjustment to welfare policies and services in response to the ever-changing social environment.

3. In April 2008, SWAC wrote to local welfare NGOs and relevant bodies to seek their views on a number of key issues pertinent to the long-term social welfare development in Hong Kong. To enable the stakeholders to have a more in-depth and focused discussion, SWAC subsequently decided to conduct a second round of consultation. The Task Group was also set up to take forward the study. SWAC released the consultation paper entitled “Long-term Social Welfare Planning in Hong Kong” in mid-April 2010 and organised six consultation sessions between May and July 2010 to seek the views of the welfare sector and other stakeholders. SWAC also accepted the invitation from individual organisations and agencies and attended meetings with them to exchange views. The consultation was concluded in end-July 2010 and a total of 160 submissions were received.

Focus of the study

4. As gathered during the consultation process, SWAC understands that some stakeholders expected the study to cover the development and planning of individual welfare service areas. However, SWAC considers that its study on long-term social welfare planning should look into the subject from a macro perspective and aim to formulate a blueprint for the future welfare system, instead of scrutinising the details of individual service areas and resource allocation.

5. Taking into account the views collected through various channels during the consultation and the analysis by the Task Group on the information and data pertinent to the relevant subjects, SWAC has prepared this Report on Long-term Social Welfare Planning in Hong Kong, in the hope of developing a blueprint for future social welfare planning in Hong Kong that will facilitate

the sustainable development of the social welfare policies and services in the long term. The ensuing paragraphs give an account of the circumstantial factors, current situation and development trends of social welfare in Hong Kong, as well as SWAC's recommendations to the Government on the mission, fundamental values, guiding principles, strategic directions and planning mechanism of social welfare as set out in the Report.

Environmental scan

6. SWAC has conducted an environmental scan on the changes in the population, economy, social structure, and the development of information and communication technologies in Hong Kong since 2000 in order to identify major issues and factors affecting the provision of welfare services and help shed light on our welfare needs in the long term. There have been major changes in all the above areas over the years. Some phenomena of concern, like ageing population, loss of low-skilled jobs, diminishing role of the family, continuous inflow of immigrants from the Mainland as well as rapid development of information technologies will render changes in society even swifter and thus harder to gauge and increase the demand for welfare services.

7. Against this backdrop, sustainability of our welfare services must be an important consideration in welfare planning such that the growing service demand can be adequately met. A flexible forward-looking welfare planning mechanism that allows for interactive participation of stakeholders during the planning process is required to keep pace with the changing conditions and needs of society. The principles, strategic directions and mechanism of welfare planning must also keep abreast with the latest development of society.

Current situation and development trends of social welfare in Hong Kong

8. The existing social welfare support provided by the Government mainly covers social security schemes, elderly services, family services, services for children, youth services, rehabilitation services, medical social services, services for offenders and clinical psychological services. In view of the increasingly complex social problems and heightened public concerns about and demand for welfare services, Government expenditure on welfare programmes has grown significantly over the past two decades. The \$42.2 billion estimate for social welfare in the 2011-12 financial year accounts for 17.4% of the total government recurrent expenditure. Social security schemes take up the largest share of welfare expenditure. In 2011-12, the estimated expenditure of the social security schemes amounts to \$29.45 billion, accounting for about 12% of total recurrent government expenditure, and about 70% of recurrent welfare expenditure.

9. SWAC notices that the Government has been developing social welfare policies and services along a number of trends and directions in recent years, including reinforcing core social values; placing more emphasis on tripartite collaboration among the welfare sector, the business community and

the Government, and the development of social capital; increasing flexibility of policy and service planning; enhancing service diversity and specialisation; developing service in an innovative and proactive manner; integrating services and enhancing accountability and performance monitoring of welfare services.

10. SWAC recognises the important roles played by various stakeholders in social welfare planning and provision. Apart from the Government, the relevant stakeholders include advisory committees, NGOs, business/professional sector, service users, welfare sector, volunteers and self-help groups. The Government is the principal resource provider and policy maker of social welfare in Hong Kong. We do not expect any significant change to the Government's role in the foreseeable future. Our welfare development is facing a number of possible major challenges, such as rapid socio-economic changes, increasingly complex social issues, rising public demand for welfare services against limited resources. The Government should consider carefully how to overcome these challenges and lead various stakeholders and the whole community in promoting the sustainable development and improvement of welfare services.

Mission and fundamental values of social welfare

11. SWAC believes that Hong Kong should adopt a holistic perspective towards social welfare and engage members of the public to jointly build a harmonious society, with due regard to personal dignity and rights as well as social justice. The Government's mission to invest in a caring society must be built on certain values fundamental to our society which serve as the cornerstone for the formulation of social policies, in particular social welfare policies.

Recommendations by SWAC

12. Based on the result of the environmental scan and the examination on the current situation and development trends of social welfare in Hong Kong, SWAC puts forward the following recommendations on the long-term social welfare planning in Hong Kong –

- (a) SWAC recommends the adoption of the following guiding principles, which will facilitate social welfare planning in Hong Kong and provide a directional basis for future welfare service development –
 - (i) To adopt an inclusive and people-centred approach;
 - (ii) To encourage active participation by service users;
 - (iii) To explore the feasibility of cost-sharing by the financially capable;
 - (iv) To establish a sustainable social welfare system;
 - (v) To strengthen preventive and developmental services; and

- (vi) To ensure that policy and services are forward-looking and flexible.
- (b) SWAC recommends the formulation of the following strategic directions, having regard to the prevailing social circumstances and development, so as to establish a framework for the overall long-term social welfare planning in Hong Kong –
- (i) To promote social investment;
 - (ii) To encourage multi-partite partnership and collaboration;
 - (iii) To develop and promote social enterprise;
 - (iv) To enhance capacity and network building;
 - (v) To drive service delivery by innovation;
 - (vi) To adopt a family and district-based approach; and
 - (vii) To conduct research-based planning and assessment.
- (c) SWAC proposes to put in place a planning mechanism which dovetails with the delivery of the Policy Address by the Chief Executive in October. By improving the existing planning arrangements, the enhanced mechanism should allow for full and interactive participation of the welfare sector and other stakeholders, and ensure consultation and planning for the future development and delivery of welfare services on an ongoing and regular (i.e. annual) basis. The mechanism aims to collect views at three levels (namely, district, central, and advisory committees) –
- (i) District level: SWAC proposes that in the first quarter of a calendar year, District Social Welfare Officers of SWD make use of district welfare planning meetings, relevant District Council/committee meetings and other suitable channels to solicit views of local personalities and stakeholders (including welfare agencies, self-help groups and academics) regarding the services delivered in the preceding year as well as the development of welfare service areas in the coming year, including the overall development direction for individual services, service provision at the district level, etc.;
 - (ii) Central level: SWAC proposes that in the second quarter of the year, the SWD Headquarters should hold a series of planning meetings to examine the views collected at the district level, establish the direction for the development of each major service area, and invite comments from stakeholders (including the Hong Kong Council of Social Service (HKCSS), welfare agencies, self-help groups and academics) regarding the development and priorities of

welfare services for the coming year with a view to forging a consensus among all parties; and

- (iii) Advisory committees: LWB and SWD should prepare a consolidated report on the views collected through the multi-tier consultation and seek advice from SWAC. At the same time, the views grouped by service areas should be forwarded to the relevant advisory committees for reference.

There will be interface and co-ordination among various levels and the overall policy and service planning will be covered. The welfare sector and stakeholders will be able to make timely and practicable suggestions in response to the latest social circumstances and welfare needs, such that the aspirations of the community can be addressed more swiftly. Under this planning mechanism, they can also regularly review and examine how the existing social welfare initiatives and services can be enhanced, and make recommendations to improve the measures already implemented.

Looking ahead

13. SWAC believes that the proposed guiding principles, strategic directions and planning mechanism will be able to facilitate the sustainable development of the social welfare policies and services in the long term. Yet the submission of this Report does not mean that the job is done. Instead, it opens a new page for the long-term planning and development of social welfare in Hong Kong. We look forward to the active engagement and contribution of the welfare sector and stakeholders in helping us realise the vision of building a caring society.

Chapter 1 Introduction

Background of long-term social welfare planning study

1.1 A sound social welfare system is essential to the stability and sustainable development of society. Quality welfare services do not only provide support to the vulnerable, the disadvantaged and people in need but also enhance mutual help and care, community support networking and people's resilience against adversities, thereby preventing the occurrence of social problems.

1.2 SWAC was established in 1947 to advise the Government on policies on social welfare from a macro perspective. Headed by a non-official chairman, SWAC comprises members from different background, including social welfare, education, business, professional and community sectors (membership list at [Annex 1](#)).

1.3 In view of the rapidly changing social and economic environment in Hong Kong and increasing complexity of social problems, the Chief Executive announced in the Policy Agenda in October 2007 that a study on the long-term development planning for social welfare in Hong Kong would be conducted through SWAC to ensure that social welfare policies and services in Hong Kong could provide timely and effective response to the changing welfare needs of society. From time to time, the Government entrusts studies or consultations of specific topics in one policy area or another to relevant independent advisory committees, on account of their autonomy, broad representation and multi-disciplinary expertise, for a fair and objective analysis. It is based on the same consideration that SWAC has been entrusted with the task to undertake this study.

The Study and consultation conducted by SWAC

1.4 SWAC considers that a prerequisite to establishing a sound social welfare system is for the Administration to set out a clear set of mission, fundamental values, guiding principles and strategic directions in long-term welfare policies and development as the basis for formulating welfare policies and services, and to introduce a flexible welfare planning mechanism that allows for timely adjustment to welfare policies and services in response to the ever-changing social environment. In recognition of the need to discuss and study the long-term social welfare planning in Hong Kong, SWAC formally launched the study in the first half of 2008. The focus and principles of the study are as follows –

- (a) **To study the subject from a macro perspective – SWAC considers that its study on long-term social welfare planning should aim to formulate a blueprint for the future social welfare system instead of scrutinising details of individual service areas and resource allocation.** For that blueprint to be sustainable, it should address social issues at a macro and strategic level in a

holistic manner, and identify the core values underpinning the welfare services in Hong Kong. The guiding principles and strategic directions established in this study are expected to provide effective guidance for the future social welfare planning in Hong Kong.

SWAC recognises the importance of the service demand, development and resource allocation of individual welfare areas. However, studies and reviews in this regard are already undertaken on an ongoing basis by the Administration and other relevant advisory committees as and when necessary. To avoid duplication of efforts and resources, the approach of SWAC for this study is to identify and propose, at the macro level, a series of strategies applicable to long-term social welfare planning in a holistic and general way, as well as a planning mechanism with full participation of stakeholders.

- (b) **To focus the study on the welfare services provided under LWB and SWD** – Social welfare is an integral part of the overall social policy. The social welfare policies and services in Hong Kong are formulated and implemented by LWB and SWD respectively. With the theme of long-term social welfare planning in Hong Kong in mind, SWAC will focus its study on the welfare services provided by LWB and SWD. While social services provided in other policy areas may also be mentioned in the environmental scan of Chapter 2, they are not the focus of this study.
- (c) **To take into consideration the overall policy planning and resource allocation schedule of the Government** – When making recommendations on the planning mechanism, SWAC will have due regard to the overall policy planning and resource allocation schedule of the Government, including the timetable for the preparation of the Policy Address and the Budget so as to ensure that the recommendations are practicable.

1.5 In April 2008, SWAC commenced the study by writing to over 400 local NGOs and relevant bodies (including subvented and non-subvented welfare organisations, self-help groups and service user groups, as well as social work related professional bodies) to seek their views on a number of key issues pertinent to the long-term social welfare development in Hong Kong. After the initial consultation, SWAC decided to conduct a second round of consultation to enable the stakeholders to have a more in-depth and focused discussion. The Task Group was also set up to take forward the study (membership list at [Annex 2](#)). Its main duties were to determine the scope of the study, design the appropriate study approach, and draw up and implement the consultation programme. The Task Group held seven meetings in total to analyse the information and data pertinent to the demographic structure and change, social development and provision of welfare services in Hong Kong.

1.6 SWAC issued a consultation paper entitled “Long-term Social Welfare Planning in Hong Kong” in mid-April 2010 to solicit views from stakeholders on SWAC’s analysis of the circumstantial factors affecting the provision of welfare services, the mission and values of social welfare, as well as its initial recommendations on the guiding principles and strategic directions for social welfare planning. At the early stage of the consultation, the consultation paper was sent to organisations which had been invited to put forward their views in the first round of consultation, in addition to local universities and research institutes, business sector/professional bodies, and some private foundations and charities related to social welfare. As a channel for direct communication with different sectors of the community, SWAC organised six consultation sessions between May and July 2010 for representatives of organisations and interested members of the public to directly exchange views with SWAC members. SWAC also accepted the invitation from individual organisations and agencies, including the Legislative Council Panel on Welfare Services, HKCSS, Hong Kong Social Workers Association, Federation of Hong Kong Industries and the Labour-welfare Group of Democratic Party, and attended meetings with them to exchange views. The consultation was concluded in end-July 2010 and a total of 160 submissions⁽¹⁾ were received.

Views collected by SWAC

1.7 SWAC deeply appreciates the valuable and constructive views and suggestions put forward by the welfare sector and stakeholders throughout the consultation exercise. While some respondents inclined to only offer views related to their respective or concerned welfare areas, SWAC has nonetheless established a better understanding and awareness of different welfare areas/aspects and the difficulties and concerns of stakeholders through this study. Overall speaking, most respondents welcomed SWAC’s study and consultation on the long-term social welfare planning for Hong Kong. They considered it one of the major discussions held over the past decade, which helped encourage the welfare sector to reflect on and explore the positioning and future development of social welfare. In addition, while some respondents regarded the consultation paper as lacking in specifics and ineffectual to solving the prevailing problems in the welfare sector, other respondents agreed with the need for long-term planning for social welfare and generally supported the planning principles and strategic directions proposed by SWAC. Many respondents expected SWAC to develop detailed proposals on the approach to and the mechanism of social welfare planning.

1.8 All 160 submissions received by SWAC have been uploaded onto the dedicated webpage⁽²⁾ for this study. Printed copies are also available on request from the SWAC Secretariat⁽³⁾.

(1) Of which 38 were referred by the Legislative Council Secretariat.

(2) SWAC Webpage: www.swac.org.hk

(3) SWAC Secretariat

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Report on Long-term Social Welfare Planning in Hong Kong

1.9 Taking into account the views collected through various channels during the consultation and the analysis by the Task Group on the information and data pertinent to the relevant subjects, SWAC has prepared this Report on Long-term Social Welfare Planning in Hong Kong. It examines the circumstantial factors affecting the provision of welfare services and the present situation and development trends of social welfare in Hong Kong, and then puts forward specific recommendations on the mission, fundamental values, guiding principles, strategic directions and planning mechanism of social welfare. The release of the Report has been synchronised with its formal submission to the Administration.

1.10 The Report on Long-term Social Welfare Planning in Hong Kong consists of six chapters. Following this chapter on the background and focus of the study, Chapter 2 contains an environmental scan on the changes in the population, economy, social structure and the development of information and communication technologies in Hong Kong since 2000, with a view to identifying the major issues and factors affecting the current provision of welfare services. Chapter 3 outlines the current situation and development trends of social welfare in Hong Kong, including the roles of various stakeholders in the local social welfare system, and the challenges Hong Kong faces on the front of social welfare. Chapter 4 sets out SWAC's recommendations on the mission, fundamental values, guiding principles and strategic directions of the long-term development of social welfare in Hong Kong. Chapter 5 reviews the current social welfare planning mechanism and makes recommendations on the mechanism for the future. Chapter 6 contains the conclusion of the Report.

Chapter 2 Environmental Scan

2.1 Welfare demand is shaped by the social environment of society. SWAC believes that a sound social welfare planning mechanism should have due regard and be responsive to the latest developments of society so as to meet the changing service demand in a timely manner. In this chapter, we will conduct an environmental scan on the changes in the population, economy, social structure, and the development of information and communication technologies in Hong Kong since 2000, with a view to identifying major issues and factors affecting the provision of welfare services. This will help shed light on welfare needs in the long term. When giving our comments and recommendations on the long-term social welfare planning in Hong Kong in the ensuing chapters, we have taken into account the social circumstances described in this chapter to ensure that the recommendations suit the actual circumstances and needs of Hong Kong.

2.2 This chapter will scan the environment of Hong Kong in the following four aspects –

- (a) Demographic structure;
- (b) Economy;
- (c) Social conditions; and
- (d) Development of information and communication technologies.

Demographic structure

2.3 Demographic size and structure have a direct bearing on demand for welfare services. According to the Census and Statistics Department (C&SD)⁽⁴⁾, the population of Hong Kong reached 7.03 million by the end of 2009, an increase of 390 000 people over 6.64 million ten years ago (1999). C&SD projections⁽⁵⁾ show that the population will continue to grow and reach 7.66 million in 2019, 8.34 million in 2029 and 8.89 million in 2039, representing an annual growth of 0.8% on average over the 30-year period.

2.4 In the past three decades between 1979 and 2009, the birth rate of Hong Kong first plunged from 2 120 live births per 1 000 women in 1979 to a record low of 901 in 2003, and then gradually picked up to reach 1 042 in 2009⁽⁶⁾. Despite the recent rebound, a continuing decline is anticipated by C&SD for the next three decades, with the number of live births per 1 000

⁽⁴⁾ Source: C&SD's Hong Kong Monthly Digest of Statistics

⁽⁵⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽⁶⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

women dropping to 983 in 2019, 982 in 2029 and 936 in 2039⁽⁷⁾. Notwithstanding this trend, the population is projected to increase owing to the continuous inflow of immigrants from the Mainland and overseas, especially new arrivals holding One Way Permits (current quota at about 54 000 a year)⁽⁸⁾. Assuming that the demographic structure and other social conditions remain unchanged, the upward population trend will mean a rising demand for welfare services in our society.

2.5 Demographically speaking, as with many other developed countries/areas, Hong Kong also faces the phenomenon of ageing population, which is a cause for concern. This phenomenon is evident in the following statistics from C&SD –

- (a) The median age of the Hong Kong population increased from 35.7 in 1999 to 40.7 in 2009⁽⁹⁾, and is projected to rise to 43.4 in 2019, 45.7 in 2029 and 47.6 in 2039⁽¹⁰⁾.
- (b) The number of elderly persons (aged 65 and over) increased by 26% within a decade, from 0.72 million in 1999 to 0.91 million in 2009⁽¹¹⁾. It is projected to surge by 47% to 1.33 million in 2019, 2.06 million (55%) in 2029 and 2.49 million (21%) in 2039⁽¹²⁾.
- (c) The proportion of elderly persons in the population rose from 10.9% in 1999 to 12.9% in 2009⁽¹³⁾. The projected figures for 2019, 2029 and 2039 are 17.2%, 24.7% and 28% respectively⁽¹⁴⁾.

2.6 Ageing population in Hong Kong is attributable mainly to longer lifespan as a result of increased health consciousness and advancement in medical technology, and declining fertility at the same time. C&SD statistics⁽¹⁵⁾ show that the life expectancy at birth of male rose from 77.7 years in 1999 to 79.7 years in 2009. As forecasted by C&SD⁽¹⁶⁾, male life expectancy will continue to rise and reach 81.5 years in 2019, 82.8 years in 2029 and 83.7 years in 2039. As for female, life expectancy rose from 83.2

⁽⁷⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽⁸⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽⁹⁾ Source: C&SD's Hong Kong Statistics (Percentage distribution of population by age group and median age) (February 2010)

⁽¹⁰⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽¹¹⁾ Source: C&SD's Hong Kong Statistics (Population by Age Group and Sex) (October 2010)

⁽¹²⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽¹³⁾ Source: C&SD's Hong Kong Statistics (Population by Age Group and Sex) (October 2010)

⁽¹⁴⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽¹⁵⁾ Source: C&SD's Hong Kong Statistics (Vital Events) (February 2011)

⁽¹⁶⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

years in 1999 to 85.9 years in 2009⁽¹⁷⁾, and is expected to rise to 87.9 years in 2019, 89.2 years in 2029 and 90.1 years in 2039⁽¹⁸⁾. On the other hand, the fertility rate, as anticipated by C&SD, will decline further as a result of improving educational attainment and labour participation of women, the general acceptance of late marriage and nuclear families⁽¹⁹⁾ in the community, as well as the growing preference for not having any children.

2.7 Along with this continuous ageing trend, the elderly dependency ratio in Hong Kong (i.e. the number of persons aged 65 and over per 1 000 persons aged between 15 and 64) will rise from 171 in 2009 to 247 in 2019, and will go further up to 391 in 2029 and 454 in 2039⁽²⁰⁾. Accordingly, demand for medical, welfare, housing and other services is expected to grow. As far as welfare services are concerned, an increase in demand is anticipated for elderly residential care, community care and support services, as well as social security such as Old Age Allowances. At the same time, the elderly, with rich experience in life, are important assets to our community. The Administration should consider how to encourage and facilitate their continuous contribution to the community so as to promote a sense of worthiness among them.

2.8 Regarding the sex ratio of Hong Kong, the past 20 years saw the proportion of male in the population fell from 51.2 % in 1989 to 49.3% in 1999, and further down to 47% in 2009⁽²¹⁾. The C&SD projections for the coming 30 years show that the proportion will drop further to 45.3% in 2019, 43.9% in 2029 and 42.7% in 2039⁽²²⁾.

2.9 In respect of the statistics on persons with disabilities, according to the findings of a territory-wide survey on persons with disabilities and chronic diseases published by C&SD in 2008, the disability population was estimated at about 360 000, representing 5.2% of the overall population. Among them, 68.5% were aged 60 and above⁽²³⁾. C&SD plans to conduct another survey on persons with disabilities and chronic diseases sometime in 2012. We expect the figures to rise further, signalling an increase in demand from persons with disabilities (especially those in older age groups) for welfare services in future.

2.10 As for ethnic composition, Hong Kong is a largely homogenous society. According to C&SD's 2006 Population By-census, about 95% of our

⁽¹⁷⁾ Source: C&SD's Hong Kong Statistics (Vital Events) (February 2011)

⁽¹⁸⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽¹⁹⁾ A nuclear family refers to a family comprising a married couple without children, or with one or more unmarried child/children, or a family comprising a single parent with one or more unmarried child/children.

⁽²⁰⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽²¹⁾ Source: C&SD's Hong Kong Statistics (Population by Sex) (October 2010)

⁽²²⁾ Source: C&SD's Hong Kong Population Projections 2010-2039 (July 2010)

⁽²³⁾ Source: C&SD's Special Topics Report No.48 (December 2008)

population were Chinese (ethnically speaking, Han Chinese) and 5% (around 340 000 people) were non-Chinese (including foreign domestic helpers). Among the ethnic minorities, about 11% were born in Hong Kong. At present, a total of 44.1% of ethnic minorities have resided in Hong Kong for seven years or more. Owing to their distinct language, culture and lifestyle, they have their own set of problems and welfare demand, which are different from those of the majority ethnic group. Their special needs must be considered in our social welfare planning in order to facilitate their integration into society.

Economy

2.11 Over the last decade or so, we have recorded a sustained growth in the economy, with the per capita gross domestic product increasing from about \$190,000 in 1999 to \$230,000 in 2009⁽²⁴⁾. At the same time, income disparity widened. C&SD, in the “2006 Population By-census Thematic Report: Household Income Distribution in Hong Kong”, provided an analysis of this phenomenon. In the analysis, the employment income of the working population was ranked in ascending order by ten equal decile groups, each representing 10% of the employed persons in Hong Kong. The first decile group referred to the 10% of working persons earning the least, while the tenth decile group represented the 10% of working persons earning the most. The analysis revealed an upward trend of income disparity in Hong Kong –

- (a) During the decade between 1996 and 2006, the monthly income ranges of the two highest income groups increased from over \$17,000 to over \$20,000, with the median monthly income rising by 20% from \$25,000 to \$30,000. In contrast, the monthly income ranges of the two lowest income groups decreased slightly from below \$5,600 to \$5,500, with the median monthly income falling from \$4,000 to \$3,500.
- (b) The median monthly income of the highest income group was 11.7 times that of the lowest income group in 1996. The figure rose further to 14.1 times in 2006.
- (c) The income of the two lowest income groups accounted for 5.1% of the aggregate employment income in Hong Kong in 1996, but the share decreased to 4.5% in 2006. The share of the two highest income groups increased from 54.8% to 55.7% over the same period.

2.12 The period from 1996 to 2006 also saw an increase in the Gini Co-efficient of Hong Kong. The Gini Co-efficient is a ratio which takes a value between 0 and 1 to measure income disparity. The higher the Gini Co-efficient, the greater the income disparity. The Gini Co-efficient of Hong Kong increased from 0.518 in 1996 to 0.525 in 2001 and further to 0.533 in

⁽²⁴⁾ Source: C&SD's Gross Domestic Product (2009 Edition) (February 2010)

2006, indicating a trend of widening income disparity before taking into account taxation and social services.

2.13 This widening trend is mainly attributed to the structural change in our economy. As Hong Kong transforms from a manufacturing-oriented economy to a knowledge-based and service-oriented economy, there is also a shift in labour demand towards workers with better knowledge and skills. During the decade between 1996 and 2006, the share of professionals, associate professionals, managers and administrators in the workforce increased from 29.2% to 33.0%. While the median monthly income of managers and administrators increased by 30% from \$20,000 in 1996 to \$26,000 in 2006, the median monthly income of low-skilled workers remained at about \$6,000. With Hong Kong moving further towards a knowledge-based economy, we expect this trend of widening income disparity to continue.

2.14 Income disparity is inevitable in a market economy but taxation and social benefits (including housing, medical, welfare and education benefits) will have the effect of redistributing income and reducing the disparity. Households with higher income usually pay more tax than the social benefits they receive, and vice versa for households with lower income. It is therefore evident that public policies have the effect of reducing income disparity among the households. If we take into account the impact of taxation (including salaries tax, property tax, rates and government rents) and social benefits (including housing, medical, welfare and education benefits), and discounting the effect of the declining household size, the per capita post-tax post-social transfer Gini Co-efficient in 1996, 2001 and 2006 will stand at 0.427, 0.421 and 0.427 respectively, substantially lower than before the adjustment. The adjusted Gini Co-efficient in 2006 will be the same as in 1996 and only slightly higher than 2001 by 0.006. The markedly reduced difference after the adjustment shows the significance of public policies in income redistribution. Given our continued transition towards a knowledge-based economy, income disparity in Hong Kong may widen. It is expected that the Government will increase policy and resource commitments to reducing income disparity and providing a safety net for the needy.

Social conditions

2.15 In addition to demographic and economic changes, social changes also impact on welfare demand. As family is the basic unit of society, changes in family structure must be considered in social welfare planning. The ratio of nuclear families in Hong Kong has been rising in recent years. According to C&SD statistics⁽²⁵⁾, the ratio increased from 63.6% in 1996 to 67% in 2006. Nuclear family is now the most common form of families in Hong Kong. Compared with extended families, nuclear families receive less support from their network of relatives and may need more social services and support.

⁽²⁵⁾ Source: C&SD's 2006 Population By-census Main Report (November 2007)

2.16 Families in Hong Kong are facing structural changes and the relationship among family members may be affected. There are views that some of the traditional core values upholding family solidarity have been eroded. The traditional function of family as a support system to individuals has also changed. Some people believe that these are the root causes of many social problems, including domestic violence, child abuse and neglect, and various forms of youth problems, emotional problems and mental illness (e.g. depression and suicidal tendency). Problems stemming from changes in family structure are set to increase the demand for related welfare services.

2.17 As regards marriage, the number of marriage registration in Hong Kong increased from 31 300 in 1999 to 51 200 in 2009⁽²⁶⁾. During the same period, the median age at first marriage rose from 29.9 to 31 for men, and from 27 to 28.5 for women. On the other hand, as in the case of many developed countries/areas, the number of divorce was on the rise, from 13 408 in 1999⁽²⁷⁾ to 17 002 in 2009⁽²⁸⁾. This has led to an increase in the number of single parent families. The single parent population grew from about 42 000 in 1996 to about 72 000 in 2006⁽²⁹⁾. The Administration should pay particular attention to these trends which will impact on the family structure of Hong Kong as a whole and affect welfare demand, especially demand for family welfare services.

2.18 Young people are the future pillars of Hong Kong, and their behaviour can serve as the indicators of the changing values of our society. Apart from providing education and training opportunities to develop their potential, attention and care should be paid to their developmental needs, in particular for those with difficulties or special needs, so as to address youth unemployment and other problems such as drug abuse, compensated dating and hidden youth. Young people undergo different physiological and psychological changes at different developmental stages, and youths at risk should receive help to get back on the right track. The Administration should continue to review and develop youth welfare services having regard to their changing needs and put more emphasis on preventive services and measures conducive to their holistic development.

2.19 There are two other noteworthy social trends, namely the increase of cross-boundary marriages and babies born in Hong Kong to Mainland women. For cross-boundary marriage, there were 17 806 Hong Kong males and 1 487 Hong Kong females marrying Mainland residents in 1999⁽³⁰⁾. The figures rose to 18 145 and 4 194 respectively in 2009⁽³¹⁾. Along with the growth in

⁽²⁶⁾ Source: C&SD's Hong Kong Statistics (Vital Events) (February 2011)

⁽²⁷⁾ Source: Women and Men in Hong Kong – Key Statistics (2004 Edition) (July 2004)

⁽²⁸⁾ Source: C&SD's Women and Men in Hong Kong – Key Statistics (2010 Edition) (July 2010)

⁽²⁹⁾ Source: C&SD's 2006 Population By-census Thematic Report: Single Parents (February 2008)

⁽³⁰⁾ Source: C&SD's Demographic Trends in Hong Kong 1981– 2006 (December 2007)

⁽³¹⁾ Source: C&SD's Women and Men in Hong Kong – Key Statistics (2010 Edition) (July 2010)

cross-boundary marriages, the number of cross-boundary families continues to rise. The Administration should be mindful of their specific needs in formulating social welfare policies.

2.20 The number of births born in Hong Kong to Mainland women has registered an upsurge in recent years. According to C&SD's Hong Kong Population Projections 2010-2039, the number increased from 7 810 in 2001 to 37 253 in 2009. These babies born in Hong Kong to Mainland women included Type I babies (whose fathers are Hong Kong permanent residents) and Type II babies (whose fathers are not Hong Kong permanent residents). In 2001, the number of births born in Hong Kong to Mainland women stood at 7 810, of which 7 190 (92%) were Type I babies. The distribution has since reversed gradually. In 2009, the number of births born in Hong Kong to Mainland women was 37 253, of which 29 766 (80%) were Type II babies.

2.21 C&SD surveyed the parents on whether their Type I babies and Type II babies would stay in Hong Kong or return to Hong Kong in future. Based on the findings of a survey conducted in late 2009, it was estimated that about half (47%) of Type I babies would stay in Hong Kong while the corresponding figure for Type II babies was only 3%. Among parents who had no intention of having their Type I babies stay in Hong Kong within the first year after birth, as high as 87% stated that the babies would return to Hong Kong in future. The corresponding figure for Type II babies was 61%.

2.22 As there is no information on how many babies born in Hong Kong to Mainland women will reside in Hong Kong and when they will return to Hong Kong, it is difficult to predict their demand for local welfare services. SWAC notes that the Steering Committee on Population Policy chaired by the Chief Secretary for Administration will focus its study on the ramifications of Type I/II babies returning to Hong Kong to study and live. The findings will help shed light on the situation and should be taken into account in future social welfare planning so as to ensure that the welfare demand of these babies can be addressed.

2.23 It is also noted that starting from April 2011, Mainland "overage children" of Hong Kong residents⁽³²⁾ may apply for One Way Permits to come to Hong Kong for reunion with their natural parents. The submission, processing and approval procedures of applications from these children for settlement in Hong Kong largely follow those of other One Way Permit applications. The Administration should pay due attention to the difficulties and needs of new arrivals, including "overage children", and develop appropriate welfare measures and services to help them adapt to and integrate into our society.

⁽³²⁾ Under the relevant rules in the Mainland, eligible Mainland children of Hong Kong residents aged below 14 may apply for One Way Permits to come to Hong Kong. However, before 1 November 2001, approval would not be granted to those who attained the age of 14 while awaiting approval by Mainland authorities. The term "overage children" refers to these persons who turned 14 while awaiting approval and hence became ineligible.

2.24 Public mental health as a social phenomenon also warrants attention in social welfare planning. The fast pace and stress of life may have overwhelmed some people and caused mental health problems such as depression and anxiety disorder. According to the Population Health Survey 2003-04⁽³³⁾ conducted by the Department of Health in collaboration with the Department of Community Medicine of The University of Hong Kong, about 1.5% and 2.0% of the respondents aged 15 and above reported being told by a doctor that they suffered from depression and anxiety disorder respectively. The survey further indicated that 3.6% of the respondents aged 15 and above had seriously considered suicide and about 1.4% had made an attempt in the preceding 12 months. Remedial healthcare services alone cannot effectively improve the mental health of the people. Resource commitments must also be made towards preventive and developmental services under social welfare planning so as to enhance the resilience of our society against adversities.

Development of Information and communication technologies

2.25 Globalisation and technological advancement have brought about substantial changes to our means of communication and impacted on the relationship among people, family members and friends. With the rapid development of information and communication technologies in recent years, digital communication media such as the internet have penetrated into and brought revolutionary changes to our daily life over the past decade or so. It has largely removed the barriers of geography and time zones and brought people in different parts of the world closer together. At the same time, it has brought profound changes to inter-personal contacts and exchange as well as the means of obtaining information. As estimated by the Office of the Telecommunications Authority⁽³⁴⁾, there were about 2.11 million registered broadband internet access customer accounts in Hong Kong as at September 2010, representing a nearly 71% increase in six years' time as compared to 1.23 million in 2003. Young people in particular are susceptible to the influence of the internet, which has become an indispensable part of their life as a platform for making friends, sharing, learning, shopping, and leisure engagement.

2.26 The rapid development of information and communication technologies not only brings great convenience but also opens up new horizons for social services. Welfare providers now enjoy greater convenience in analysing service data, collecting and disseminating service information, and reaching out to service users. Service effectiveness can therefore be substantially enhanced. However, the penetration of information and communication technologies also brings about social problems. There are views that the rapid development of communication technologies has eroded direct contact among people and, in effect, increased inter-personal distance.

⁽³³⁾ This is the latest territory-wide mental health survey conducted by the Administration.

⁽³⁴⁾ Source: Statistics on Customers of Licensed Internet Service Providers in Hong Kong, compiled by Office of the Telecommunications Authority

More maladjusted behaviour and problems related to web surfing are emerging, e.g. social isolation of addicted “netizens”, regressing communication and social skills, compensated dating arranged online, and bullying and suicide groups in the cyberspace. While information technologies continue to penetrate into various aspects of life, some are denied access to information and communication technology products because of educational, financial or other restraints. This gives rise to the problem of “digital divide”. Instead of bringing convenience to the life of these people, technological development may have become a divide detrimental to their integration into the broader community and development in the long run.

2.27 In a nutshell, amid the rapid advances in information and communication technologies, it is difficult for the Government, the education sector and the welfare sector to predict accurately the ramifications of the internet and other information technologies. Young people indulgent in the virtual worlds of the cyberspace are hard to be reached out by traditional welfare service delivery mode. In other words, the rapid development of information and communication technologies has presented new challenges in social welfare planning. It is important that the mode of welfare service delivery must keep abreast with time and a flexible forward-looking social welfare planning mechanism be put in place.

A sum up of the environmental scan

2.28 It is clear from the environmental scan that welfare demand is greatly affected by factors such as demographic and economic conditions, social structure, and development of information and communication technologies. Looking ahead, attention should be paid to the increasing demand for and changes in support services for the elderly, persons with disabilities, ethnic minorities, young people and families (including cross-boundary and low-income families). In this regard, the principles, strategic directions and mechanism of social welfare planning must evolve with time to meet the changing needs of the community.

2.29 As with many developed countries/areas, there have been major changes in our population, economy and family structure. While ageing population, loss of low-skilled jobs and diminishing role of the family will exert great pressure on welfare services in terms of “quantity”, increased complexity of the social issues will drive up expectations for welfare services in terms of “quality”. Rapid advances in information technologies will render changes in society even swifter and harder to gauge. Against this backdrop, sustainability of welfare services is an important consideration in social welfare planning in order to meet the growing demand for “quantity” of service. To meet the demand for “quality” of service, a flexible forward-looking social welfare planning mechanism that allows for interactive participation of stakeholders during the planning process is needed so as to address the ever-changing conditions and needs of society.

Chapter 3 Current Situation and Development Trends of Social Welfare in Hong Kong

3.1 Following the environmental scan in aspects such as population, economy and social structure in Chapter 2, this chapter looks into the current situation and development trends of social welfare in Hong Kong, including the roles of stakeholders in the social welfare system, and the challenges facing welfare development. We will offer specific recommendations on how to meet these challenges and difficulties in Chapter 4 and Chapter 5.

Current status of social welfare in Hong Kong

3.2 The Administration's commitment to the development of social welfare is beyond doubt. In response to the increasingly complex social problems and heightening public concern and demand for welfare services, Government spending on welfare programmes has grown significantly. Over the past two decades, between the 1991-92 and 2011-12 financial years, welfare spending soared from \$6.6 billion to \$42.2 billion. Compared with ten years ago, i.e. 2001-02 financial year (\$28.6 billion), welfare expenditure still registers a notable increase of 47.5%. At the same time, the Lotteries Fund also provides non-recurrent funding for welfare services provided by NGOs and for subsidising their time-limited pilot projects. The amount of payments has substantially increased over the past two decades, from about \$150 million in 1991-92 to \$1,080 million as budgeted for 2011-12. The rate of growth between 2001-02 (about \$900 million) and 2011-12 is as high as about 20%. As a matter of fact, welfare spending has always ranked high in recurrent government expenditure. The \$42.2 billion estimate for social welfare in the 2011-12 financial year accounts for 17.4% of the total government recurrent expenditure, making it the second largest expenditure item after education.

3.3 Social welfare policies in Hong Kong are formulated by LWB and implemented by SWD. The services under this policy area broadly fall into two categories, namely, direct financial assistance and welfare support services. Direct financial assistance is provided through social security schemes under SWD to help people cope with their basic and special needs. These schemes take up the largest share of welfare expenditure. In 2011-12, the estimated expenditure of the social security schemes amounts to \$29.45 billion, accounting for about 12.2% of the total recurrent government expenditure and as high as 70% of the recurrent welfare expenditure.

3.4 The existing social security schemes operated by SWD consist of the Comprehensive Social Security Assistance (CSSA) Scheme, Social Security Allowance (SSA) Scheme, Traffic Accident Victims Assistance Scheme, Criminal and Law Enforcement Injuries Compensation Scheme, and Emergency Relief. In terms of expenditure, the CSSA Scheme is the major component of our social security system, immediately followed by the SSA Scheme (comprising Old Age Allowance and Disability Allowance). The

provision for the recurrent expenditure of CSSA and SSA in 2011-12 is \$29.4 billion, up by about 49.6% as compared to \$19.65 billion in 2001-02. Its share in the total recurrent government expenditure also goes up from 10.0% to 12.1% over the same period. These social security schemes are non-contributory schemes funded by the public coffer. It is worth noting that currently the period of stay in the CSSA net of some CSSA recipients is getting longer. This is one of the factors contributing to the increase in expenditure of CSSA.

3.5 As for welfare support services, those provided by SWD cover welfare policy areas including –

- (a) **Elderly services** – Elderly services provided by the Administration is guided by the principle of giving the elderly “a sense of security, a sense of belonging, and a feeling of health and worthiness”. Through a multitude of community care and support services, we encourage and facilitate elderly persons to age in the neighbourhood they are familiar with, and provide institutional care as back-up for elderly persons with care needs. The community care and support services provided by the Administration for the elderly persons and their carers include centre-based services, i.e. services provided through individual District Elderly Community Centres, Neighbourhood Elderly Centres, Social Centres for the Elderly, and Day Care Centres for the Elderly; and home-based services such as the Enhanced Home and Community Care Services, the Integrated Home Care Services, etc.. Institutional care services, including care-and-attention homes and nursing homes, are mainly designed for frail elderly persons with long-term care needs who are unable to age in the community.
- (b) **Family Services** – Family services can be preventive, supportive or remedial in nature. The objective of the array of services is to preserve and strengthen the family as a unit, to develop caring interpersonal relationships, to enable individuals and families to prevent and deal with personal and family problems, and to provide suitable services to meet needs that cannot be adequately met from within the family. Family welfare services also cover refuge and other support for victims of domestic violence, as well as assistance to parties involved in issues and disputes of custody and guardianship of children.
- (c) **Services for Children** – Child welfare services aim to provide children in need with a suitable environment for their growth. These include various day and residential care services, and adoption arrangement for children whose parents are unable or unwilling to maintain them.

- (d) **Youth Services** – Youth services aim to facilitate the healthy development of young people by helping them realise their potential and tackle any social or peer issues they may encounter. These include services provided through integrated children and youth services centres, school social work service, and outreaching service etc..
- (e) **Rehabilitation Services** – Rehabilitation services aim to help persons with disabilities develop their physical, mental and social capabilities, and to promote their integration into society, thereby enabling them to enjoy rights on an equal basis with others. The services include pre-school support services for children with disabilities; day care, rehabilitation training and vocational training services for various types of persons with disabilities; and residential services for people in need etc..
- (f) **Medical Social Services** – Delivered by medical social workers stationed in hospitals and clinics, medical social services provide timely psychological intervention to patients and their families and help them tackle problems arising from illness, trauma or disability. Medical social services also act as a linkage between medical services and social services.
- (g) **Services for Offenders** – The objectives of services for offenders are to discharge statutory duties under relevant ordinances and to provide community-based and residential services through social work approaches so as to help ex-offenders re-integrate into the community and lead a law-abiding life. Services include discharge of statutory duties under the Probation of Offenders Ordinance (Cap. 298) and the Community Service Orders Ordinance (Cap. 378), and the provision of probation and rehabilitation services through social service centres for ex-offenders, hostels for ex-offenders, correctional/residential homes, etc..
- (h) **Clinical Psychological Services** – Clinical psychological services include psychotherapy and psychological assessment and other services which help people suffering from emotional, cognitive and behavioural disturbances (including serious cases involving unexpected disasters and incidents) to overcome the crises.

3.6 Some welfare services are directly delivered by the Government, which include discharging statutory welfare duties (e.g. handling protection orders or guardianship orders issued by the Court under the Protection of Children and Juveniles Ordinance (Cap. 213) or the Mental Health Ordinance (Cap. 136) in respect of minors and mentally incapacitated persons), vetting applications for publicly-funded assistance and operating service centres. In

parallel, the Administration provides subvention for NGOs to deliver welfare services. Since the introduction of the Lump Sum Grant Subvention System (LSGSS) in January 2001, participating NGOs are no longer subject to rigid input controls on staffing, salary structure or individual expenditure items. Instead, recurrent funding is granted in a lump sum, giving NGOs greater autonomy and flexibility to deploy resources and re-engineer services to meet the changing needs of the community. As at 1 April 2010, 164 out of the 171 SWD-subsidised NGOs have joined the LSGSS. The grant received by these 164 NGOs was equivalent to 99% of the total SWD subvention to NGOs. In January 2008, the Secretary for Labour and Welfare appointed the Lump Sum Grant Independent Review Committee to assess the overall effectiveness of the LSGSS and identify scope for improvement. In December 2008, the Review Committee completed the review and reported its findings and recommendations to the Administration. While confirming that the principles adopted by the LSGSS were sound and the system was worth retaining, the Review Committee made 36 recommendations for improvement. The Administration, having accepted in principle the recommendations, is taking forward their implementation in collaboration with stakeholders.

Trends in social welfare policy and service development in Hong Kong

3.7 With the provision of substantial additional resources from the Government and the committed efforts from stakeholders, Hong Kong has made great strides in social welfare development over the past years. The public social welfare policies and services, as noted by SWAC, have been developing along the following trends and directions in recent years –

- (a) **Reinforcing core social values** – When formulating social welfare policies and developing welfare services, the Government strives to reinforce our core social values of self-reliance, family cohesion, neighbourhood support, social inclusion, and corporate social responsibility. To this end, a variety of welfare services are designed to strengthen family support to individuals. The policy of child care services also focuses on providing support to parents rather than taking over their responsibilities. The Support for Self-reliance Scheme has been introduced under the CSSA Scheme to help able-bodied employable CSSA recipients move towards self-reliance.

- (b) **Promoting multi-partite collaboration among the welfare sector, the business community and the Government, and the development of social capital⁽³⁵⁾** – As the spearhead of social welfare policies and principal resource provider, the Government takes the lead in promoting multi-partite

⁽³⁵⁾ According to the definition given by the World Bank, social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Social capital comprises social norms (individual attitudes and social values), networks and systems.

collaboration with the welfare sector and the business community and encourage service users' participation so as to maximise resources and synergy for enhancing welfare support to those in need. Examples of initiatives in this regard include the introduction of the Partnership Fund for the Disadvantaged⁽³⁶⁾ (PFD) in 2005, the Child Development Fund⁽³⁷⁾ (CDF) in 2008, and the Community Care Fund⁽³⁸⁾ (CCF) in 2010.

Social capital is another concept strongly promoted by the Administration in recent years to foster community-business collaboration, mutual care among people, community participation and cross-sectoral programmes, and full utilisation of community resources in establishing community support network. In 2002, the then Health, Welfare and Food Bureau set up the Community Investment and Inclusion Fund⁽³⁹⁾ (CIIF) to provide seed money to NGOs and community organisations for projects conducive to the development of social capital.

- (c) **Enhancing flexibility of policy and service planning** – Social circumstances and problems are extremely fluid by nature. The Administration has always been mindful of the importance of a flexible social welfare planning and subvention system. For social welfare planning, the “Five-Year Plan (FYP) mechanism” was discontinued after 1999 to pave the way for a more flexible approach (see Chapter 5 for details). For SWD subvention, the LSGSS agreed upon by NGOs was introduced in 2001. The participating NGOs have since enjoyed greater flexibility and room for manoeuvring in resource deployment to improve the effectiveness of their operation.

- (d) **Developing service diversity and specialisation** – To meet the specific needs of groups/individuals, welfare services have been diversifying in scope and mode in recent years and some are even “tailor-made” to meet specific needs. Taking elderly care

⁽³⁶⁾ The Partnership Fund for the Disadvantaged, set up in 2005, aims to promote the development of tripartite partnership among the welfare sector, the business community and the Government.

⁽³⁷⁾ The Child Development Fund, set up in 2008, adopts a trial “asset-building approach” to draw on and consolidate the resources from the Government, the family, the community and the private sector for promoting long-term development of children from a disadvantaged background.

⁽³⁸⁾ To encourage the business sector's participation in helping the poor, the Government has decided to set up the Community Care Fund, to which the Government will take the lead by injecting \$5 billion and raise funds from the business sector to support people in need in areas not covered by the welfare safety net.

⁽³⁹⁾ The Community Investment and Inclusion Fund, set up in 2002, aims to encourage mutual concern and aid among people, promote community participation at the local level and support cross-sectoral programmes to develop social capital.

services as an example, the Administration provides community care services for elderly persons who are able and willing to age in the community on the one hand, and provides various types of residential care services for elderly persons in need on the other. The Administration also launched the Pilot Scheme on Home Care Services for Frail Elders in 2011, which provides “tailor-made” home care services for elderly persons who live at home and are waiting for nursing home places while not receiving any subsidised community care services, with a view to meeting their personal needs as far as possible. On day child care services, parents can avail themselves to the support of either centre-based or home-based services, and the different needs of children in different age groups (below 6 or 6-12 years old) are catered for by care services with different scope and focus.

- (e) **Enhancing service innovation and proactiveness** – In response to the growing complexity of social issues, the Administration has been introducing new modes of service delivery targeted at new social problems. Persons in need but unwilling to seek assistance, or unaware of the availability of assistance, are often the most vulnerable. Hence, the proactive approach emphasises early identification of and assistance to persons in need before the situation worsens. An example is the Pilot Cyber Youth Outreaching Projects to be launched in the latter half of 2011 which will reach out through the internet platform to youth in need, in particular those identified as at-risk or hidden, to offer them timely support.
- (f) **Integrating services** – Having adopted an integrated service mode in recent years, SWD has been re-engineering some welfare services to enhance service effectiveness and provide one-stop service. For instance, in the 2004-05 financial year, SWD re-grouped all Family Services Centres, Single Parent Centres and Post-migration Centres into a territory-wide network of 61 Integrated Family Service Centres (IFSC) to provide one-stop service with no labelling effect. In 2008, SWD commissioned The University of Hong Kong to conduct the Review on the Implementation of the IFSC Service Mode. The review confirmed the effectiveness of the service mode and recommended that it be retained in the provision of family services.
- (g) **Enhancing accountability and performance monitoring of welfare services** – To meet the rising public expectations of welfare services, the Administration has in recent years been encouraging and assisting NGOs to improve corporate governance. At the same time, the Service Performance Monitoring System jointly developed with NGOs has been

introduced and enhanced to improve accountability and quality of welfare services.

Roles of stakeholders in our social welfare system

Government

3.8 Among the many welfare-related stakeholders, the Government plays a major role in acting as the principal resource provider, policy maker and implementation agent for policies. SWAC does not expect any significant change to the Government's leading role in the foreseeable future.

3.9 The Government is the principal resource provider of social welfare in Hong Kong. The direct financial assistance provided to the needy through social security schemes and the resources required for welfare support services are all paid out of the public coffer. The Government also provides NGOs with subvention and concessions in rent, tax, rates, etc. to support their provision of welfare services. In addition, a number of funds under the welfare portfolio, such as the Lotteries Fund and the PFD, provide applicant organisations with subsidies for welfare projects and improvement of hardware.

3.10 As the policy maker, the Government not only steers the overall development of the social welfare system, including annual welfare planning and resources allocation, but also develops the objectives for individual service areas. For example, the guiding principle for elderly services is to help elderly persons achieve "a sense of security, a sense of belonging, and a feeling of health and worthiness"; and the policy objective is to support "ageing in place as the core, institutional care as back-up". As for policy implementation, LWB, SWD and other relevant government departments deliver welfare services directly as well as through subvented NGOs. Besides, SWD monitors the services of subvented NGOs for quality assurance in accordance with the jointly established Service Performance Monitoring System. Public education and publicity is also undertaken by the Government to prevent social problems.

Advisory committees

3.11 The Government has set up a number of welfare-related advisory committees with members drawn from various sectors. Apart from the welfare sector, service users/self-help groups, professional groups, business sector, academics and district organisations are also represented. Like their counterparts under other policy areas, these advisory committees are mainly tasked to –

- (a) Advise on public policies. Given the diverse background of the committee members, their advice should be all-encompassing, impartial, and unbiased towards any individual

sector. Through these advisory committees, the Administration can gather views of different sectors and professional disciplines for more comprehensive policy deliberation;

- (b) Assist in conducting consultation and research on welfare-related policies, such as the “Long-term Social Welfare Planning in Hong Kong” study by SWAC, and the consultancy study on community care services for the elderly being conducted by the Elderly Commission;
- (c) Organise activities to facilitate policy implementation, including the Elder Academy Scheme launched by the Elderly Commission, and the Capacity Building Mileage Programme launched by the Women’s Commission; and
- (d) Assist in vetting NGO applications for grants under various Funds. An example is the Lotteries Fund Advisory Committee which advises the Director of Social Welfare on applications for the Lotteries Fund.

NGOs

3.12 Outside the Government, NGOs are the most important participant in welfare service delivery. The NGOs, in their key role as welfare service operator, are a close partner of the Government in policy implementation. Some NGOs receive government subvention for their welfare services while others rely on other income sources to maintain their operation and services.

3.13 There are currently 171 SWD-subvented NGOs operating a total of 2 584 agreement service units, which are in the frontline to implement government social welfare policies through services covering all the areas set out in paragraph 3.5 above. In the 2011-12 financial year, the estimated government welfare subvention to NGOs amounts to \$9.08 billion. Apart from direct subvention, SWD also provides NGOs with cash grants and other forms of subsidy (e.g. rent/rates/government rent subsidy) and assistance to support their provision of services. SWD also monitors the service performance of subvented NGOs through the Service Performance Monitoring System.

3.14 As for non-subvented NGOs, there is no available information on their exact number. Nevertheless, their role in the provision of welfare services is equally important. It is noted that some of them are providing effective services not yet covered by the conventional social welfare system (e.g. cross-boundary welfare services). Apart from welfare organisations, there are also district groups and residents’ mutual aid associations. Though smaller in scale, they possess good knowledge of the specific needs of certain communities and are able to provide more targeted services. The non-subvented NGOs, with their own sources of funding, actively support and

contribute much to the social welfare development of Hong Kong in a self-sustaining mode. Their experience and success also provide us with very useful insights on the long-term sustainability of our social welfare system.

3.15 Through regular frontline contact, NGOs are best placed to understand the needs of service users. This enables them to serve, on top of being service operators, as a channel for collecting and reflecting service users' feedback to the Government. SWD has maintained close liaison with NGOs to collect users' views and comments on the welfare services provided. As expectation and aspiration for welfare services are rising along with people's awareness of their civic rights, the role of NGOs in collecting and reflecting service users' feedback becomes particularly important to the overall social welfare system.

Business/Professional Sector

3.16 In the past, the business/professional sector used to play a supplementary role in resource provision in our social welfare system. However, in recent years this role has changed and diversified to include experience and knowledge sharing with the welfare sector, mentorship/tutorship for welfare services/programmes, and promotion of volunteerism among their staff. As far as resources are concerned, business donation for welfare purpose has continued to increase. From the 2008-09 financial year onwards, the ceiling of deductible charity donations has been raised from 25% to 35% of the assessable profits/incomes for profits tax, salaries tax and personal assessment. According to the Inland Revenue Department (IRD), the amount of approved charitable donation declared by business organisations for profits tax deduction rocketed from \$0.63 billion in 1998-99 to \$3.03 billion in 2008-09, representing a five-fold increase within a decade. The amount of approved charitable donation declared to the IRD for deduction of salaries tax and personal assessment was \$5.01 billion in 2008-09, more than tripled from the \$1.66 billion in 1998-99. Donations from business sector/individuals not only substantially enrich the resources available to our social welfare system, but also have a supplementary effect on the public welfare regime because such funds, being outside the restriction of government social welfare policies, can be used on non-mainstream services and other services not covered by the public welfare regime.

3.17 Apart from making charitable donations, the business/professional sector is also an active participant and promoter of voluntary service. Many business organisations have formed their own volunteer teams to serve the needy. There are many ways for the business community to engage in volunteerism, including giving welfare agencies advice on corporate governance matters, free legal advice and audit service, and offering free services (e.g. home decoration, haircut, tutorials and mentorship) to welfare recipients. Engagement of the business sector in welfare services can inspire new thinking in welfare services, enable knowledge transfer and shift, enhance staff relations and loyalty, and improve corporate social responsibility and

corporate image. The Government, the welfare sector, service users, and the business/professional sector itself all stand to benefit.

3.18 In recent years, the Government has actively encouraged the participation of the business/professional sector in welfare services and promoted a tripartite partnership among the welfare sector, the business community and the Government. Relevant measures include the setting up of a \$200 million PFD in 2005. PFD received an additional injection of \$200 million from the Government in May 2010. NGOs are required to obtain donations from business organisations for running social welfare projects before applying for grants from PFD. If the welfare projects under application are approved, the Government will provide matching grants to donations made by the business organisations. Under the CDF set up in 2008, on top of the grant from CDF, the operating NGOs of the CDF projects are also required to obtain support from the business/professional sector to provide matching contributions and mentors for the participating children so as to support the long-term personal development of children from a disadvantaged background. As announced by the Administration in 2010, the CCF aims to support people in need, through collaboration between the Government and the business sector, in areas not covered by the welfare safety net.

Service users and self-help groups

3.19 Nowadays service users are better informed about their civic rights. They are no longer confined to a passive role and will voice their expectation and aspiration for welfare services to the Government and NGO service providers. Their views are very important to the Government for its formulation and continued improvement of social welfare policies, as well as to NGOs for service enhancement.

3.20 Self-help groups are groups of individuals coming together with the common goal of pursuing their welfare and interests. Through experience sharing and information exchange, group members support one another in handling similar problems which they encountered. There are self-help groups formed by, for instance, persons with physical disabilities, visual impairment, mental illness, intellectual disabilities, chronic diseases, occupational injuries and diseases, autism and learning difficulties, etc. or their families. Activities such as experience sharing sessions are held to build up a support network for group members and people with similar problems, and help enhance their social skills, confidence, resilience, and the spirit of self-help and mutual-help. Since welfare service providers may not have the personal experience of the problems encountered by members of self-help groups, they may not be able to fully understand the specific needs of the latter. Hence, views of self-help groups are of high reference value to the Government and NGOs in improving welfare services for specific communities.

3.21 The Government has all along been supportive to the development of self-help groups. For instance, through SWD's "Financial Support Scheme

for Self-help Organisations of People with Disabilities/Chronic Illness”, self-help groups are provided with subsidy to support their operation and development, thereby promoting the spirit of self-help and mutual-help among persons with disabilities and their carers and fostering district support network. NGOs also provide advisory and consultative services to self-help groups.

Volunteers

3.22 Volunteers are another key stakeholder in Hong Kong’s social welfare system. For the community, volunteerism not only provides a pool of dedicated people to support welfare services, but also helps nurture the culture of love and care and develop social mutual-aid network and social capital. For the volunteers, voluntary work helps them achieve self-actualisation and a greater sense of belonging to the community. Volunteers are now already an essential source of manpower in certain public welfare services. For instance, volunteers of the Support Team for the Elderly are tasked to show care to elderly persons in the local communities through home visits and telephone calls, and provide them with other forms of assistance such as escort, and household repair and cleaning.

3.23 The Administration is committed to promoting volunteerism. SWD has started a territory-wide Volunteer Movement since 1998 to encourage organisations and individuals from all sectors to take part in voluntary work. SWD also established the Steering Committee on Promotion of Volunteer Service, comprising members of diverse background, to formulate the overall strategies and direction for promoting volunteering. Owing to the concerted efforts from various parties, volunteer service in Hong Kong has achieved remarkable progress. The number of registered participants of the Volunteer Movement substantially increased within a decade, from 353 organisations and nearly 240 000 volunteers at the end of 2000 to 2 110 organisations and 930 000 volunteers at the end of 2010.

3.24 While young people are the future pillars of Hong Kong, the elderly, with their rich experience in life, are also valuable assets to our community. Apart from being the main beneficiaries of social welfare policies and services, they can in fact utilise their strengths in voluntary work to realise the spirit of self-help and mutual-help. The Elder Academy Scheme launched by the Government and the Elderly Commission is an example of operation characterised by cross-sectoral collaboration and intergenerational harmony. Through this platform, elderly persons can update themselves by learning new technologies and acquiring new knowledge, while young students can be volunteer tutors and share the rich experience in life of the elderly. More importantly, the young and the elderly can have better understanding of each other and achieve intergenerational harmony.

Other Stakeholders

3.25 Apart from the above, welfare stakeholders also include charitable trust funds set up by various communities (e.g. the Hong Kong Jockey Club Charities Trust and other private charitable funds), academics engaged in welfare service research, individuals and organisations concerned with welfare policies (e.g. Members of the Legislative Council, Members of the District Councils (DCs), and persons from local communities). Charitable trust funds provide funding for charitable and community programmes, and provide financial assistance to the people in case of emergency. Academics engaged in welfare service research produce useful reference data and recommendations for policy makers and planners. Individuals concerned with welfare policies and services reflect the views of various social strata and stakeholders and give constructive suggestions to the Administration. They all have an important role to play in our social welfare system and contribute to the long-term social welfare planning in Hong Kong. The Administration should continue to enlist their participation in social welfare through different channels and give due regard to their views.

Challenges facing welfare development in Hong Kong

3.26 In light of the social circumstances described in the last chapter and the current situation of the social welfare system as elaborated in the preceding paragraphs, SWAC anticipates that the welfare development of Hong Kong will face the following major challenges, which the Administration should take into consideration in welfare planning –

- (a) **Rapid socio-economic changes** – The socio-economic scene of Hong Kong has been changing rapidly. The rapid advance in communication technologies such as the internet have rendered traditional social values more susceptible to outside influences. Distorted concepts are now much easier to disseminate, thus hastening the emergence of new social problems which are increasingly difficult to keep in check. Besides, the welfare demand arising from ageing population, structural unemployment, family structural changes, etc. will need to be addressed. Measures must be taken in response to the rapid socio-economic changes impacting on people's livelihood.

On the other hand, information and communication technology advancement has also opened up new opportunities for social services. It becomes more convenient for welfare service providers to analyse service data, collect and release service information, and reach out to service users. Service effectiveness can therefore be greatly enhanced. Innovative welfare services have to be developed in a timely manner to meet the changing social circumstances and demand. In addition, the Administration needs to leverage on the

information and communication technologies to perfect the welfare database and enhance service effectiveness, and provide sufficient flexibility to its welfare planning mechanism to allow for flexible service provision and adjustment.

- (b) **Increasingly complex social issues** – As a result of the diminishing influence of traditional social values and function of the family, there emerge new social problems such as socially isolated “netizens” and suicide groups on the internet. These social problems are increasingly complex and the existing services may no longer fully meet the needs of some communities. In addition, with the maturing of self-help groups and service user groups, service users nowadays are more aware of their welfare needs and keen to demand better welfare services. We can therefore foresee that, in the future, welfare services will move towards continuous diversification and specialisation, and policies will require alignment and interface across portfolios. By adopting a comprehensive and professional approach to service delivery, the specific needs of various communities can be better met, and the cost-effectiveness of welfare services and resource allocation, including manpower and land resources, can be ensured.
- (c) **Increasing public demand for welfare services** – Growing awareness of civic rights as well as maturing self-help groups and service user groups have raised public expectation for better welfare services. NGOs as service operators have an increasingly pivotal role to play in collecting and reflecting service users’ feedback, which is all-important to service improvement and enhancement. The Government must put in place a social welfare planning mechanism to canvass and consider the views from service users and stakeholders. This is to ensure that effective measures are developed to address their concerns in the formulation and review of welfare services and resource requirements (including manpower and land resources).
- (d) **Rising demand against limited resources** – At present, most of the social security and welfare services are publicly-funded. The government recurrent expenditure on social welfare has been rising continuously. Welfare spending has surged to \$42.2 billion by 47.5% over the past decade between 2001-02 and 2011-12. As shown by the environmental scan in Chapter 2, welfare demand will continue to grow. Yet, our public resources are limited, especially so under the low and simple tax regime adopted for the purpose of maintaining our competitiveness. While it must be a prime consideration to provide appropriate assistance to those in need and to continuously enhance our welfare services, the Administration

must be mindful of the sustainability of the social welfare system as a whole.

A summing up of the current situation and development trends of social welfare in Hong Kong

3.27 In this chapter, we have examined the current situation of social welfare in Hong Kong, the development trends of government policies and services, and the roles played by various stakeholders. We have also discussed the possible major challenges facing our social welfare development.

3.28 As mentioned above, the Government is the principal resource provider and policy maker of social welfare in Hong Kong. The Government should therefore consider carefully how to deal with the possible challenges facing Hong Kong's social welfare development detailed in this chapter, so as to lead other stakeholders and the whole community in promoting the sustainable development and improvement of welfare services. We will make specific recommendations on how to respond to these challenges in Chapter 4 and Chapter 5.

Chapter 4 Guiding Principles and Strategic Directions for Future Welfare Development

4.1 We learn from the environmental scan in Chapter 2 that demand for welfare services is greatly affected by a multitude of developments and changes. Given the recent trends of social welfare development and possible future challenges as described in Chapter 3, SWAC considers that social welfare planning should be responsive to the latest developments in the community. The objective of social welfare planning in the 21st century should be to look for a system that can effectively address current issues, prepare us for foreseeable challenges, and ensure sustainable development and improvement in our welfare services in the longer term.

4.2 The social welfare system of Hong Kong is highly developed and institutionalised. Apart from basic relief to those in need of immediate care and financial assistance, there is a wide range of preventive, developmental and remedial services for the general public. Subsidised welfare services in Hong Kong are available to all who need them, rather than confined to the socially and/or financially disadvantaged. Yet, the Government is also mindful that the welfare services provided should not create a culture of dependency among the recipients, reduce their motivation or remove their incentive to work.

4.3 SWAC believes that the establishment of a set of guiding principles can provide useful indicators and directions for us to consider and deliberate on strategies for welfare-related issues at the macro level. This chapter will elaborate on the mission and fundamental values of social welfare, and the guiding principles and strategic directions proposed to be adopted for our long-term social welfare planning.

Mission and fundamental values

4.4 SWAC believes that Hong Kong should, in line with the international community, adopt a holistic perspective towards social welfare and engage members of the public to jointly build a harmonious society. Due respect should be accorded to personal dignity and rights as well as social justice in the course.

Personal dignity and rights

4.5 Social welfare and social work are based on respect for the inherent worth and dignity of all people and caring for their well-being. Through the provision of social welfare, each person's physical, psychological and emotional well-being is safeguarded and fully developed. In the course of long-term social welfare planning, respect for personal rights and empowerment should be considered. This means –

- (a) Respecting the right to self-determination – To respect and promote people’s right to make their own choices and decisions, irrespective of their values and orientation for life, provided that it does not threaten the rights and legitimate interests of others;
- (b) Promoting the right to participation – To promote the full involvement and participation of people using the services in ways that empower them in all aspects of decisions and actions affecting their lives;
- (c) Treating each person as a whole – To be concerned with the integrity of the person within the family, community and societal and natural environment, and to seek to recognise all aspects of a person’s life; and
- (d) Identifying and developing strengths – To focus on the strengths of all individuals, groups and communities and thus promote their empowerment.

Social justice

4.6 A long-term social welfare planning with a sense of mission should also respect and advocate social justice, so that our entire community, both collectively and individually, can access the care required and be fully developed. This means –

- (a) Confronting negative discrimination – To eliminate discrimination on the basis of characteristics such as ability, age, culture, gender, marital status, socio-economic status, political views, skin colour, racial or other physical characteristics, sexual orientation or religious beliefs;
- (b) Recognising diversity – To recognise and respect the ethnic and cultural diversity of society, taking account of individual, family, group and community differences;
- (c) Distributing resources equitably – To ensure that the social resources available are distributed fairly according to needs;
- (d) Enhancing policies and practices proactively – To be responsible for bringing to the attention of policy makers, parties concerned and the general public situations where resources are inadequate or where distribution of resources, policies and practices are oppressive, unfair or harmful; and
- (e) Working in solidarity – To be conscientious in eliminating social conditions that contribute to social exclusion,

stigmatisation or subjugation, and to work towards an inclusive society.

4.7 The Administration's mission to invest in a caring society must be built on certain values fundamental to our society. SWAC considers the following fundamental values to be the cornerstone for the formulation of social policies, in particular social welfare policies –

- (a) All members of our society, irrespective of age, gender, abilities or disabilities, race and religion, should have the opportunity to develop their potential so as to achieve social harmony and advancement;
- (b) All members of our society should strive to become responsible and contributing citizens to jointly build a network of social support;
- (c) Family is an important component for society. In this regard, love and mutual respect and assistance should be promoted among individuals and families to jointly build a harmonious society; and
- (d) A safety net should be available in society to those in need to enable them to achieve self-reliance.

Guiding principles

4.8 Having regard to the social mission that Hong Kong seeks to achieve, the values that we wish to uphold, and the social and economic realities that we need to face, SWAC considers that the following guiding principles will facilitate social welfare planning in Hong Kong and provide a directional basis for future welfare service development –

(a) To adopt an inclusive and people-centred approach

4.9 Being an open international metropolis, Hong Kong attracts people of all gender, age and race to live here. To uphold this pluralism, it requires the commitment of both the Government and the general public to building an inclusive society so that everyone enjoys equality and respect in all aspects of life. Whether they be persons with disabilities, ethnic minorities, new arrivals or the financially disadvantaged, the Administration should observe the people-centered principle and ensure that all can have equal access to welfare services. It should continue to strengthen collaboration with various stakeholders (including NGOs and other relevant groups) to help those in need to integrate into the local community as soon as possible. It should also continue to provide grass-root families with services that can help them improve their livelihood and maintain a reasonable living standard.

(b) To encourage active participation of service users

4.10 The client-based approach is a norm in welfare services. We believe that participation of the general public is crucial for improving service quality and effectiveness. The Government should continue to engage service users in service planning and evaluation, and leverage on more multi-level and cross-sectoral exchange and collaboration to maximise the benefits. Service users should be encouraged to join volunteer work for other service users and assistance recipients so as to expand the community network and social capital. SWAC hopes that the Administration will make use of different channels to gather users' feedback on social welfare policy and service planning to ensure that welfare services can better meet the demand of society and users.

(c) To explore the feasibility of cost-sharing by the financially capable

4.11 As mentioned above, we would like to see active participation of users, which is instrumental to the success of welfare services. While "shared responsibility" applies to all relevant parties, we believe that the Government can go further and explore the feasibility of cost-sharing by those who are financially capable. Among the views collected during the consultation period, some argue that cost-sharing by welfare recipients, who are mostly lacking means, seems to contradict the welfare mission and objective of helping those in need. Some others are concerned that introducing such a concept will "commercialise" welfare benefits and make the underprivileged pay high charges for welfare services. On the other hand, there are views in support of cost-sharing by the financially capable, as it is considered a fairer principle to ensure that the limited resources can be directed at the most needy and provide better welfare services for the community.

4.12 SWAC is of the view that the Administration should continue to provide heavily-subsidised or even free welfare services to those in need but lacking financial means. As for service users who are financially capable, "shared responsibility" in the form of fees to recover part of the costs can be considered so as to optimise the effective use and benefits of our limited public resources in helping those most in need but lacking means. Hence, the introduction of the principle of cost-sharing by the financially capable will not affect those who need welfare assistance most. As a matter of fact, a number of non-subsidised organisations and social enterprises are already providing paid welfare services to people who are able to share the costs to choose the services that suit them. This approach not only demonstrates the spirit of shared responsibility, as opposed to reliance solely on government subsidies, but also helps enhance the overall quality of welfare services and effective use of resources. However, appropriate supervision by the Administration and the welfare sector is also needed to ensure the quality of the paid services.

4.13 Taking elderly services as an example, elderly persons who are able to shoulder the costs may choose to reside in self-financing or private residential care homes for the elderly (RCHEs) instead of waiting for subsidised RCHEs.

Their choices would enable the elderly persons in need but lacking financial means to receive proper care earlier. While the welfare sector is responsible for maintaining and enhancing the service quality, the Administration should put in place appropriate measures to monitor the quality of self-financing or private RCHes, with a view to promoting the balanced development of residential care services in the public, subsidised and private sectors so as to offer more service choices in the market for the elderly. In this light, SWAC supports the principle of cost-sharing by the financially capable and expects it to play a greater role in the social welfare planning framework in future.

(d) To establish a sustainable social welfare system

4.14 Social welfare policies must be, by definition, forward-looking. They seek not only to tackle immediate problems, but also to anticipate future ones. They should be able to stand the test of time. In face of the ever-changing challenges, especially trends already prevailing such as ageing population, we must prepare for the future by improving and enhancing the current system. The aim is to put in place a sound social welfare system which is sustainable and affordable both socially and financially.

(e) To strengthen preventive and developmental services

4.15 Many of the current welfare services offered are remedial in nature and substantial resources are spent on providing immediate assistance and support to those facing imminent needs and hardship. We believe that it is more beneficial to society and more effective to tackle problems at source and nip them in the bud through early identification and timely intervention. To prevent problems from happening is one of the effective ways to tackle welfare service problems. So there is a need to ensure that resources are also allocated to preventive and developmental services. We should also consider helping people build up resilience against adversities through education. We believe that preventive and supportive developmental services will continue to play a major part in social welfare planning in future. This principle helps ensure more efficient allocation of government resources.

(f) To ensure that policy and services are forward-looking and flexible

4.16 Previous social welfare planning was conducted on a FYP basis. Apart from being rigid and inflexible, it also failed to cope timely with the changing needs of our society. We are of the view that social welfare policy should be forward-looking and flexible so as to allow the Government to respond to the aspirations and crises of our society in a flexible and timely manner. We hope that NGOs and relevant groups will also exercise flexibility in deploying their manpower and financial resources to provide diverse and multifarious welfare services in response to social changes.

Strategic directions

4.17 As far as the implementation of the guiding principles is concerned, SWAC considers it necessary to formulate a set of strategic directions in light of the prevailing social conditions and developments. These strategic directions are expected to be applicable to long-term social welfare planning in general, rather than focusing on individual service areas. Many of these strategic directions are closely related to each other and should be pursued in a coordinated manner rather than in isolation. The strategic directions proposed by SWAC are as follows –

(a) To promote social investment

4.18 The pursuit of sustainability has become a global consensus. In recent years, there has been a growing recognition in the international community that money and material wealth alone cannot enhance the quality of life. Along with this recognition is the emergence of people-centred industries. This will not only help the healthy development of our social milieu, but also facilitate the development of social capital.

4.19 According to the definition by the World Bank, social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society's social interactions. Social capital includes social norms (individual attitudes and social values), networks and institutions. The "strategies" deployed in social capital development include "cognitive", "relational" and "structural" dimensions, incorporating psychological and sociological concepts of "role transformation" and "social trust" in horizontal "bridging" across heterogeneous groups and collaboration in vertical "linking" partnerships across sectors and power hierarchy. Social capital is more than the sum of the institutions or the talents of individuals that underpin a society. It holds the people and the institutions together with a view to striving for the common good.

4.20 Similarly, welfare spending is not merely expenditure, but an investment as well. We suggest adopting a social investment approach to build the capacity of individuals, families and communities in coping with new challenges, and to create an inclusive society in which each member is able to attain their personal goal and, at the same time, contribute to the caring culture of the community. Looking ahead, we believe that the Administration should involve various agencies and sectors in taking up social responsibility and working together to strengthen our social fabric. By building support networks, social investment will also help mobilise social resources in the community to prevent the problems from occurring or to tackle them at an early stage.

4.21 As part of our developmental and preventive measures, social investment helps foster social cohesion and a sense of belonging within the community. Development of social capital has become a global trend and, in

Hong Kong, a number of initiatives have been launched in recent years to promote the concept. For instance, the CIIF was established in 2002 to create social capital by promoting mutual care and assistance among people, community participation and cross-sectoral collaboration. The PFD was established in 2005 to promote tripartite partnership among the welfare sector, the business community and the Government. An additional sum of \$200 million was injected into the PFD in May 2010. Other measures such as the CDF, the promotion of the concept of Active Ageing, and the Volunteer Movement are designed to support the longer-term personal development of children from a disadvantaged background and enhance the spirit of neighbourhood support with a view to creating a healthy and harmonious society. SWAC considers that the Government should continue to explore and develop social resources, strengthen the solidarity and self-reliance of the people, and extend the neighbourhood support networks. This will help strengthen our human and social capitals, and promote more sustainable planning and development for the benefit of our welfare services.

(b) To encourage multi-partite partnership and collaboration

4.22 No single party alone can effectively resolve our complicated social problems and promote social well-being. Efforts have therefore been made to promote tripartite partnerships among the Government, NGOs and the business sector. The ownership of the problems and solutions must be shared. Multi-partite partnerships have been proven to be effective in taking forward innovative models of solving local problems.

4.23 With the rapid development of our social welfare system, the roles of and expectations for each sector have also evolved. While NGOs and service users are often perceived as the main beneficiaries of corporate philanthropy and corporate volunteering, the benefits are mutual in many cases, with corporate team spirit boosted and corporate image enhanced. We suggest that the Government should continue to promote corporate social responsibility and encourage the business sector to promote volunteerism among their staff in order to jointly build a healthy and sustainable social welfare system. There should also be some matching programmes to ensure that the knowledge and skill sets of the volunteers are able to meet the needs of individual NGOs.

4.24 Apart from the commonly known sectors mentioned above, service users, volunteers, self-help groups, and other stakeholders from education, medical professionals/groups also play an important role in the planning and provision of welfare services. Their advice and participation are conducive to the long-term development of our social welfare system. Above all, volunteers are essential to NGOs as they can help carrying out activities and projects as well as contribute to the enhancement of NGOs' management and development through knowledge and experience sharing.

4.25 The CIIF and the PFD have been set up to promote mutli-partite partnership and collaboration. The CCF, announced in the 2010 Policy

Address, will also engage the community and the business sector in helping the poor so as to realise the spirit of shared responsibility by tripartite collaboration. Continuous efforts should be made to promote cross-sectoral and multi-disciplinary synergy and fully co-ordinate the collaboration among government departments, district bodies/groups and stakeholders for building a caring and inclusive society.

(c) To develop and promote social enterprise

4.26 Social enterprise is a business entity to achieve specific social objectives, such as selling products or providing services to those in need, creating employment and training opportunities for the socially disadvantaged, promoting conservation, or funding its own social services through the profits earned. Profits generated will be principally reinvested in the business for the social objectives that it pursues, rather than distributed to its shareholders. The prevalence of social enterprises provides an alternative way for entrepreneurs with social visions/objectives to conduct business.

4.27 In recent years, many countries/areas have made efforts to develop social enterprises. In Hong Kong, the Home Affairs Department launched the Enhancing Self-Reliance Through District Partnership Programme in June 2006 to sponsor the establishment and early operation of social enterprises and create employment opportunities for the socially disadvantaged. It introduced the Social Enterprises Partnership Programme in 2008 to facilitate cross-sectoral partnership through a matching forum and the Social Enterprises Mentorship Scheme. The Programme has been well received and widely supported by entrepreneurs and professionals.

4.28 Over the years, social enterprises have established an extensive network in Hong Kong. There are more than 300 social enterprises, with some small in scale, covering a wide range of businesses, e.g. catering, domestic services, and recycling. Their source and combinations of funding are more sophisticated than before. Private equity investment and investment by foreign social enterprises are becoming more common.

4.29 Social enterprises are playing an increasing role in the provision of welfare services. Many of them hire people with disabilities, youths-at-risk and elderly people to provide opportunities for the socially disadvantaged to apply themselves at work. Apart from enhancing their job skills and employability, it effectively helps them develop social networks and facilitate their integration into the community. We are pleased to note that, to rally community support and help social enterprises sustain their development, the Government will launch a “Be a Friend to Social Enterprise” campaign. Private enterprises will be encouraged to assist social enterprises in different ways, such as subsidies, consultancy services and partnership, and training programmes will be introduced to nurture young social entrepreneurs.

4.30 There are many ongoing efforts by the Government to promote and support the development of social enterprises. The Social Enterprise Advisory Committee was set up by the Home Affairs Bureau in early 2010. Against this backdrop, we expect social enterprises to continue to grow, and be an active and contributing provider of welfare services for Hong Kong.

(d) To enhance capacity and network building

4.31 Empowering NGOs and helping them offer more self-financing services and achieve their social missions are crucial to our social welfare development. We should attach more importance to building the capacity, efficiency and productivity of individual NGOs to enable them to perform effectively, including enhancement of in-service training, and encouraging network building between NGOs and other sectors, as well as among NGOs themselves. Training on building the capacity of NGOs in fund-raising and resource-building should also be encouraged. On the part of NGOs, they should manage their resources properly, monitor and ensure proper utilisation of service resources, and increase transparency for better public accountability.

4.32 We cherish human resources and expertise. The frontline staff of welfare services comprises an enormous pool of human resources including those engaged in social work, social security and healthcare. In-service training is indispensable for them. It not only helps them upgrade their skills and knowledge, but also makes them perform their respective roles more effectively. To encourage personal enhancement amongst social workers through continuing education which will improve their capacity to serve the community, the Social Work Training Fund under SWD provides sponsorship for professional training courses. We support enhancing the capacity of frontline staff as it will in turn enhance the quality of welfare services.

4.33 On top of enhancing capacity at the personal level, a growing emphasis is given to capacity enhancement at the corporate level. Good corporate governance of NGOs is crucial to improving quality of welfare services. To this end, the Government has set up a \$1 billion Social Welfare Development Fund to support training, capacity enhancement initiatives and service delivery enhancement studies launched by subvented NGOs. Apart from making good use of the Fund, NGOs are also encouraged to accord a higher priority to staff training and capacity building so as to better equip themselves and their staff for new challenges. Besides, we also see a need for NGOs to study and devise streamlining and other enhancement measures as appropriate to increase operational efficiency and effectiveness.

4.34 We encourage multi-partite partnership and collaboration among the Government, the business sector, NGOs and other stakeholders. Building networks among these parties is the first step to developing such partnership and collaboration. Apart from working closely with other sectors, it is also important for NGOs in the welfare sector to strengthen co-operation and sharing, in terms of efforts and expertise, among themselves. With each

contributing its own strengths, it will bring mutual benefits to the NGOs concerned and help avoid duplication of efforts and resources in service provision.

(e) To drive service delivery by innovation

4.35 Society and times are ever-changing, so is people's way of life. The traditional modes of welfare services may no longer fully satisfy the needs of the community. We must actively explore innovative means to provide welfare services so as to keep pace with the latest social, economic and technological developments. Taking technological developments as an example, the penetration of the internet and mobile phones has greatly facilitated communication, but it has also caused social problems and significant impact on our society. Hence, apart from adopting the traditional modes of services (e.g. centre-based and hotline services) to help people in need, we consider it necessary to develop newer modes, such as chatrooms, blogs, emails or even social networking websites, for service delivery in modern society, so as to ensure that we can address people's needs for welfare services in a timely and effective manner.

4.36 We are pleased to note that the Government has been moving towards this direction and providing subsidies to encourage NGOs to develop and implement innovative and diversified welfare services. By doing so, the needy can benefit from the information and communication technologies and improve their quality of life. For instance, the dedicated portal for the elderly launched in 2010 provides a one-stop platform for elderly persons to access the rich pool of online information and services and extend their social network. Besides, targeting young people who are frequent internet users, the Pilot Cyber Youth Outreaching Projects will be introduced by SWD in 2011 with funding support from the Lotteries Fund. The Projects aim to reach out to youths at risk and hidden youths through emails, SMSs, social networking sites, online chatrooms and online games, etc. to offer consultation and counselling via the internet. A research institution will be commissioned to evaluate the effectiveness of this new mode of service delivery and intervention.

4.37 After exploring new modes of service delivery to suit different sectors of the community, the Government should timely review the effectiveness of its pilot schemes and make continuous improvement as appropriate to ensure that the measures taken are in line with latest social trends and needs of the target groups.

(f) To adopt a family and district-based approach

4.38 Family provides essential nurture and support for individuals. It forms the basic unit of our society. Established in 2007, the Family Council aims to, through various platforms, nurture a culture of loving families in the community and encourage the building of happy and harmonious families in which family members support, appreciate and care for each other and share

duties. We are pleased to learn about the imminent launch of its family education series and its continuous efforts in mobilising all sectors in the community through the Happy Family Campaign and the Happy Family Info Hub to promote family core values and create pro-family environment. The Family Council has also launched the Family-Friendly Employers Award Scheme in recognition of companies and firms which demonstrate family-friendly spirit and raise awareness of the business sector in promoting family core values. We agree that in mapping out the social welfare policy, the Government should be more mindful of the family dimension and devise policies to preserve and strengthen the role of the family in our society.

4.39 At the community level, each district has its own special needs. District-based measures should be implemented to foster the development of district support network for the underprivileged and to ensure that the needs of various districts are taken into account in social welfare planning. We are glad to see that this district-based approach has been adopted in some of our recent welfare services. For instance, the Neighbourhood Support Child Care Project (NSCCP), first launched on a pilot basis in 2008, recruits volunteers to provide child care services within their districts. It not only affords needy families with more flexible child care support, but also helps building caring neighbourhoods. The project will be regularised in 2011 and be extended to cover all the 18 districts in the territory.

4.40 Another successful example of district-based service is the first Integrated Community Centre for Mental Wellness (ICCMW) set up in Tin Shui Wai in 2009. The ICCMW provides one-stop integrated and accessible community mental health support services for ex-mentally ill patients, people with suspected mental health problems, their families and carers, as well as residents in the district. We are glad to know that, following the successful experience of the pilot operation, SWD has extended the service model of ICCMW to all the 18 districts since October 2010, and strengthened the manpower of each ICCMW to provide comprehensive one-stop mental health services for the people in need in the districts.

(g) To conduct research-based planning and assessment

4.41 Welfare NGOs have contributed much in assisting and supporting the vulnerable and disadvantaged. We often hear about success stories of how an individual welfare recipient has benefited from a welfare project and become self-reliant or even lend a helping hand to others in need. To more effectively tackle social problems and provide suitable assistance to the target groups, welfare service providers should obtain more knowledge and a better understanding of the causes and background of the relevant problems. Professional and quality data studies and analysis may be required on some occasions to facilitate the formulation of new proposals and evaluation of existing services. Hence, we are of the view that the Government should make more use of case studies and build an evidence base so as to understand the crux of our social problems and lay the foundation for formulating long-

term social welfare policies and solving problems. The Government and relevant stakeholders are also encouraged to adopt an evidence-based approach in reviewing our welfare services/programmes and studying new service demands. Need assessments, evaluations and research studies (including longitudinal studies) may be considered and carried out as appropriate to obtain the necessary data and information for service planning so as to effectively tackle existing social problems and provide assistance to the target groups.

4.42 As part of the research-based planning, we note the recent trend of the Government and NGOs launching new welfare services/programmes on a pilot basis which enables the service providers to consolidate their experience, gather feedback from the service users and test the effectiveness of the new projects. For instance, the Integrated Discharge Support Trial Programme for Elderly Patients, launched in 2008, was well-received. After reviewing its outcome, the Government has decided to progressively extend its coverage from the current three districts to all the 18 districts in the territory. The number of elderly persons who will benefit each year is expected to increase from around 8 000 at present to 33 000. The NSCCP and the ICCMW mentioned above are the latest examples of pilot projects with proven effectiveness before being transformed into regular services.

4.43 We see the merits of pilot projects, and are pleased that many have been extended or regularised, after their worth has been proven to benefit more people in need. We support the pilot project model for the Government and relevant stakeholders to try out new welfare services as appropriate. Close monitoring of progress during the trial period, collection of feedback, timely and proper evaluation, and enhancement and modification where necessary are required for the projects to meet the needs of different target groups flexibly and effectively.

Chapter 5 Social Welfare Planning Mechanism

5.1 In addition to the guiding principles and strategic directions mentioned in Chapter 4, SWAC takes the view that a flexible and transparent social welfare planning mechanism should be put in place to enable collaboration among the Government, welfare sector and other stakeholders so as to ensure prompt and effective response to the changing circumstances and latest service demand. SWAC has consulted stakeholders on the proposed principles, as set out in its consultation paper, to be adopted for establishing this planning mechanism. The feedback generally agreed with the need for a social welfare planning mechanism with the participation of the welfare sector. In this chapter, we will first review the current procedures of social welfare planning at different levels in the Government, and then present our detailed recommendations for an enhanced social welfare planning mechanism.

Current welfare planning mechanism

5.2 Before 1999, the Government mainly adopted a FYP mechanism for planning social welfare services. FYPs were basically working documents to monitor the extent to which the policy objectives relating to various welfare services as set out in the White Paper(s)⁽⁴⁰⁾ were achieved. FYPs also set specific targets for service delivery within the policy framework. As part of the monitoring mechanism, SWD conducted periodic reviews on the FYPs (annually from 1973 to 1984 and biennially from 1985 to 1998) before submitting them to SWAC for endorsement and then publication.

5.3 The FYP mechanism was primarily a population-based planning of welfare services in an incremental manner and with a facility-driven approach. The proposed service plans and targets were based on the assumption that welfare demand in terms of quality and quantity would remain relatively stable in the next five years. However, experience indicated that the drastically changing socio-economic circumstances often rendered the targets set five years ago out-of-date. It was difficult to redeploy resources to timely meet urgent welfare demand arising from the surge of particular cases (such as domestic violence and abuse of elderly persons) and various issues of public concern in different periods (such as youth drug abuse and rehabilitation of mentally ill persons). Welfare planning cycle should keep pace with rapid social and economic changes, but FYP lacked the flexibility to cope with the latest demand in a timely manner. Consequently, FYP was discontinued after 1999.

5.4 Contrary to the opinion held by some members of the welfare sector and stakeholders that there has been a lack of a systematic planning mechanism since 1999, SWAC understands that a more flexible approach to social welfare planning has been adopted instead. Gathering of views has been conducted in a multi-dimensional and multi-perspective manner to derive an understanding

⁽⁴⁰⁾ White Papers on social welfare were issued in 1973, 1979 and 1991.

of the welfare sector's needs and situation. The current planning mechanism comprises the following elements –

(a) District welfare planning

5.5 SWD underwent a structural re-organisation by phases from September 2001 to March 2002. The five Regional Welfare Offices were disbanded and the then 13 District Social Welfare Offices (11 at present)⁽⁴¹⁾ were retained. In addition, the Chief Social Work Officer rank was upgraded to the Principal Social Work Officer rank, i.e. the present District Social Welfare Officer (DSWO), with the functions expanded to include planning of welfare services at the district level. Now each District Social Welfare Office is headed by a DSWO.

5.6 The expansion of the functions of District Social Welfare Offices has helped strengthen and develop partnership with DCs, local communities, local organisations, subvented and non-subvented NGOs and other government departments, as well as assisting the local communities in developing social capital. Several co-ordinating committees are set up under each District Social Welfare Office, such as the District Co-ordinating Committee on Family and Child Welfare Services, District Co-ordinating Committee on Youth Services, District Co-ordinating Committee on Elderly Services, District Co-ordinating Committee on Rehabilitation Services, and District Co-ordinating Committee on Promotion of Volunteer Service, with members drawn from government departments, welfare NGOs, local organisations and professionals. Through these committees, DSWOs can assess district needs, foster cross-sectoral and multi-disciplinary collaboration at the district level, and co-ordinate the implementation of services for local residents, particularly the vulnerable and disadvantaged. In parallel, the District Social Welfare Offices prioritise the service needs and foster cross-sectoral and cross-service collaboration in the districts through the local cross-service district welfare co-ordination mechanism. District welfare planning forums are also organised on a regular basis to collect views on district needs from various sectors for mapping out the overall district welfare strategies.

(b) District Welfare Planning Protocol

5.7 Welfare service should be “people-centred”. Given the rising expectation for public services, the long-adopted population-based approach in accordance with the Hong Kong Planning Standards and Guidelines can no longer cope with the requirement for district welfare planning. Therefore, a more systematic analysis of district demand and characteristics is now included to facilitate SWD's district welfare planning and ensure effective deployment of the limited resources. DSWOs are tasked to observe and assess carefully

⁽⁴¹⁾ SWD subsequently revamped the district services in 2005 and 2007. The 13 District Social Welfare Offices were re-grouped into the present 11 District Social Welfare Offices.

the conditions in the districts, and then collect data through various channels to gauge the district welfare demand. For this purpose, they are provided with a set of evidence-based social indicators on the welfare needs of each district compiled by the SWD Headquarters every year as the blueprint for district planning.

5.8 DSWOs take account of the district characteristics, e.g. concentration of special vulnerable groups or at-risk target groups. Such characteristics include concrete ones (such as the presence of large number of street sleepers, minority ethnic groups, single parents, and high juvenile crime rate) as well as conceptual ones (such as social cohesiveness, extent of volunteerism, major concerns of local personalities, and community dynamics). They also consult stakeholders (such as service users, service providers, other government departments and local personalities) on district welfare needs and topical issues (such as domestic violence, and youth abuse of psychotropic substances).

5.9 Before the commencement of a financial year, DSWOs organise sharing sessions on district service planning with local personalities to gather views on the district work plan for the coming year. Having collated the views received, DSWOs prepare the draft district work plan and submit it to the SWD Headquarters for advice. The district work plan is also presented to welfare-related DC committees or District Management Committees for consultation. In the light of the feedback received, modifications will be made to the plan as appropriate.

5.10 Working meetings are held regularly between DSWOs and service branches at the SWD Headquarters, including the Director of Social Welfare's Round-up at least once a month. Every year following the delivery of the Budget and the Policy Address, service branches will brief the District Social Welfare Offices on the policy objectives and key initiatives of the coming year for implementation by DSWOs at the district level.

(c) Central welfare planning

5.11 Service branches at the SWD Headquarters are responsible for the territory-wide planning of all welfare service areas (the existing organisation structure of SWD is at [Annex 3](#)) according to the policy directives set by LWB and other relevant bureaux. Reference will be made to recommendations from advisory bodies (including SWAC, Elderly Commission, Rehabilitation Advisory Committee, and Women's Commission) and stakeholders such as NGOs, and input from DSWOs will also be taken into account in the formulation of specific service plans. Officers of the service branches regularly attend meetings of relevant advisory bodies to listen to their views.

5.12 Starting from 2008, a joint working meeting between SWD and HKCSS is held in June each year to discuss welfare priorities and agenda for the coming year. Apart from the Director of Social Welfare and officers from the service branches, the meeting is attended by around 200 representatives

from HKCSS, welfare agencies and self-help groups. A draft welfare agenda for the coming year is put forward by HKCSS prior to the meeting. Based on service areas (such as elderly services, services for family and children, youth and community services, and rehabilitation services), group discussions are held with a view to reaching a consensus between SWD and HKCSS on work priorities for the coming year. After the meeting, HKCSS will submit a discussion and recommendation report to LWB and SWD as reference for preparing the Policy Address for the coming year. SWD will also refer to the welfare agenda proposed by HKCSS in setting work priorities and seek the required financial provision to provide the services planned.

5.13 At the same time, meetings and forums are held by service branches at the SWD Headquarters, upon delivery of the Policy Address and Budget, and whenever necessary, with NGO service providers, parents and self-help groups, etc. to share the latest service information and foster better communication.

(d) Reviews conducted by advisory committees

5.14 Apart from the above planning procedures, the Government also initiates welfare-related reviews and consultations from time to time at other levels or through other means, e.g. through the advisory committees responsible for individual service areas. Examples include the Rehabilitation Programme Plan Review conducted through the Rehabilitation Advisory Committee in 2005, with the report completed in 2007; and the consultancy study conducted by the Elderly Commission on residential care services for the elderly in Hong Kong in 2008, with the report accepted by the Administration in 2009. In addition, suggestions put forward by relevant advisory committees are suitably incorporated into the Government studies or policies as appropriate, for example, the Women's Commission's report entitled "Women's Safety in Hong Kong: Eliminating Domestic Violence" published in 2006 and its supplementary report published in 2009. Feedback from relevant service agencies and stakeholders is also taken into consideration in service reviews.

Proposed principles for the social welfare planning mechanism

5.15 SWAC considers the existing social welfare planning mechanism more flexible and compatible with the current social circumstances as compared with the former FYP model. Still, there is room for enhancement and improvement in areas such as the consultation and collation of public views, the involvement of stakeholders, and the co-ordination between the central and districts levels. We propose to build on the existing mechanism in enhancing the long-term social welfare planning process and mechanism, taking into account the following principles –

- (a) The process should dovetail with and take account of the time-frame of the existing resource allocation mechanism of the

Government⁽⁴²⁾, and put forward proposals on relevant resource requirements;

- (b) The process should be ongoing, flexible, dynamic and transparent;
- (c) Relevant stakeholders in society should be involved and engaged interactively during the process; and
- (d) Views and comments from stakeholders can be conveyed to the Government for consideration through designated channels in the process.

5.16 SWAC believes that when implementing every policy and initiative, the Administration should aim at their long-term development. During implementation, the Government should carefully examine the service demand of the public and timely review and enhance the mode of operation. The formulation of policies and the implementation of the initiatives concerned is an ongoing process involving reviews and modifications in response to the changes in demand. Hence, a rolling planning process does not mean a lack of long-term planning or policies on the part of the Government.

5.17 In his Policy Address and Policy Agenda announced every October, the Chief Executive analyses the developments in our society and the opportunities, challenges and difficulties ahead, and announces the priorities for the coming year, including proposed new initiatives and progress of ongoing initiatives under each policy area. While the initiatives outlined in the Policy Address are priorities set for the coming year, it does not mean that they are short-term in nature or to be implemented for one year only. In fact, many proposals in the Policy Address are ongoing initiatives or initiatives straddling several years, with some launched on a pilot basis with a view to long-term implementation if they are proven practicable and resources are available.

5.18 The Policy Address provides clear directions for various policy areas at a macro level and guides the policy and service planning of the Government. SWAC considers it advisable to build on and improve the existing welfare planning process including strengthening the involvement of stakeholders, increasing the transparency of the consultation process, and collecting views on relevant service areas from stakeholders of various sectors before the preparation of the Policy Address (i.e. during the initial stage of the planning cycle).

⁽⁴²⁾ There is an established mechanism for the allocation of resources to meet the relevant requirements as appropriate every year, and the announcement of initiatives to be launched/continued dovetails with the delivery of the annual Policy Address and Budget as far as possible.

Planning mechanism recommended by SWAC

5.19 As pointed out in Chapter 3, the social environment and economic conditions in Hong Kong are changing rapidly. SWAC regards the establishment of long-term objectives as the prerequisite to the formulation of effective social welfare policies. Such objectives have been elaborated under the section of “Mission and fundamental values” in Chapter 4. In actual implementation, a flexible and dynamic approach should be adopted to timely review and enhance the welfare measures and services as necessary through regular communication and exchanges with the welfare sector and stakeholders. Taking elderly services as an example, the Government is committed to fully establishing and implementing the policy of “ageing in place” to cope with the ageing population. Additional resources have been allocated by the Administration in recent years for a series of new measures/programmes to enhance elderly services at all levels, including the extension of the Integrated Discharge Support Programme for Elderly Patients (IDSP) to all the 18 districts in the territory. Under the Programme, elderly patients who are newly discharged from hospitals and have difficulties in taking care of themselves are provided with one-stop support services to help them continue to age at home. We are pleased to see such active efforts by the Government to devise and implement measures to fulfill its policy objectives.

5.20 Having regard to the existing welfare planning process and the planning principles set out above, SWAC proposes to formally put in place a planning mechanism which dovetails with the delivery of the Policy Address by the Chief Executive in October. Enhancement to the existing planning mechanism should allow for full and interactive participation of the welfare sector and other stakeholders, and ensure that consultation and planning for the development and delivery of welfare services will be conducted on an ongoing and regular (i.e. annual) basis. Details of our proposal are as follows –

(a) District level consultation

5.21 SWAC sees a need to enhance and adjust district welfare planning as appropriate to ensure that the actual circumstances and needs of each district are addressed. We propose that in the first quarter of a calendar year, DSWOs should make use of district welfare planning meetings, relevant DC committee meetings and other suitable channels to solicit views of local personalities and stakeholders (including welfare agencies, self-help groups and academics) regarding the services delivered in the preceding year as well as the development of welfare service areas in the coming year, including the way forward for individual services, service provision at the district level, etc.. Views and suggestions so collated should be forwarded to the SWD Headquarters for reference and analysis by service branches.

(b) Central level exchanges

5.22 SWAC proposes that in the second quarter of the year, the SWD Headquarters should hold a series of planning meetings to examine the views collected at the district level, to examine and establish the directions for the development of each major service area, and to invite comments from stakeholders (including welfare agencies, self-help groups and academics) regarding the development and priorities of welfare services for the coming year with a view to forging a consensus among all parties. Meanwhile, as part of the planning process, the working meetings between SWD and HKCSS with its member organisations in June should be retained to facilitate discussion and exchanges on the priorities of welfare services for the coming year. The above liaison system has proven effective and we propose that the meeting with the welfare sector may continue to be co-ordinated through HKCSS. LWB should also have representatives at the working meetings to listen to the stakeholders directly.

(c) Participation of advisory committees

5.23 LWB and SWD should prepare a consolidated report on the views collected through the multi-tier consultation and seek advice from SWAC. At the same time, the views grouped by service areas should be forwarded to the relevant advisory committees (including the Elderly Commission, Rehabilitation Advisory Committee and Women's Commission) for reference.

5.24 It is also proposed that SWAC should convene a meeting in July to discuss at the holistic and macro level the development and focus of welfare services as well as the priorities of individual service areas for the coming year, and then make recommendations to the Government. As for other advisory committees, they should continue to advise the Government on service areas under their purview in accordance with the established mechanism and through the annual Policy Address Consultation Sessions. The advisory committees may initiate studies or reviews as necessary. These arrangements will enable the advisory committees to look into the planning and provision of welfare services at a macro and strategic level. For instance, the Elderly Commission meetings, apart from non-official members from various sectors, are attended by representatives from relevant Government bureaux and departments. We believe that this inter-departmental discussion mechanism put in place by the Commission has facilitated effectively the development and prioritisation of elderly services.

(d) Preparation and delivery of Policy Address

5.25 In preparing the Policy Address and Policy Agenda for the coming year, the Administration should thoroughly analyse and consider the views of stakeholders collected through the multi-tier consultation mechanism mentioned above. Upon delivery of the Policy Address, LWB should give briefings to SWAC and other advisory committees on the new and ongoing

social welfare initiatives. SWD should also give briefings to the stakeholders who have attended the planning meetings and district service planning meetings.

5.26 The workflow of the social welfare planning mechanism proposed by SWAC is set out at Annex 4.

A sum up of the planning mechanism

5.27 The enhanced planning mechanism proposed by SWAC aims to collect views at three levels (namely, district, central, and advisory committees), with interface and coordination among various levels and covering overall policy and service planning. It will allow for full and interactive participation of welfare agencies and stakeholders through a more transparent process, and dovetail with the resource allocation mechanism and time-frame of the Government. In light of the fast-changing social environment and needs, consultation and planning will be conducted by a one-year cycle. This, as compared to the former five-year cycle, will enable the welfare sector and stakeholders to make timely and practicable suggestions in response to the latest social circumstances and welfare needs on an ongoing and regular basis, such that the aspirations of the community can be addressed more swiftly. Under this planning mechanism, the welfare sector and stakeholders can also regularly review and examine how the existing welfare measures and services can be enhanced, and make recommendations to improve the measures already implemented. We also propose that the Government should enhance information and data collection work to further improve the social welfare planning mechanism.

5.28 We hope that the welfare sector and stakeholders will not confuse the frequency of the one-year planning cycle with the implementation duration of the measures and services covered by the mechanism. It would be wrong to construe that all welfare measures and services examined and included in the planning mechanism are temporary, one-off in nature and thus lacking long-term planning. In fact, we see greater flexibility, interactivity, dynamism and transparency in the proposed planning mechanism which, as compared to a fixed-term plan, will respond to the changing welfare needs of the community more promptly and effectively and facilitate the long-term sustainable development of social welfare policy and services in Hong Kong.

5.29 While the proposed planning mechanism will mainly examine the focus and priorities of welfare services for the coming year, many of the services and initiatives will actually straddle several years or be designed for long-term implementation on an ongoing basis that involve recurrent provision and resources. Prominent examples include the IDSP, NSCCP, ICCMW and other trial projects mentioned in Chapter 4. All announced in the Policy Address and Policy Agenda as new and major welfare services in a particular year, these programmes have been put on trial for a period ranging from two to three years. The Government has closely monitored their operation and

implementation during the pilot stage and, upon confirmation of their effectiveness, extended their scope and have them regularised. They are success stories of adopting a long-term planning mode. SWAC expects that through this enhanced planning mechanism, the Government, the welfare sector and stakeholders can join hands to devise more innovative and viable initiatives and projects to respond in a timely manner to the demand of our society.

Chapter 6 Conclusion

6.1 In this study, SWAC has conducted an environmental scan on the changes in the population, economy, social structure and the development of information and communication technologies in Hong Kong since 2000. SWAC also examined the current situation and development trends of social welfare in Hong Kong, including the roles played by various stakeholders in the social welfare system, and foreseeable challenges to future social welfare development. In this connection, SWAC identifies a set of core values fundamental to our society and puts forward guiding principles and strategic directions for future social welfare development commensurate with the welfare mission. SWAC also recommends that a social welfare planning mechanism allowing for full and extensive participation of the welfare sector and other stakeholders be put in place.

6.2 SWAC's recommendations on the long-term social welfare planning in Hong Kong are summarised below –

- (a) SWAC recommends the adoption of the following guiding principles, which will facilitate social welfare planning in Hong Kong and provide a directional basis for future welfare service development –
 - (i) To adopt an inclusive and people-centred approach;
 - (ii) To encourage active participation by service users;
 - (iii) To explore the feasibility of cost-sharing by the financially capable;
 - (iv) To establish a sustainable social welfare system;
 - (v) To strengthen preventive and developmental services; and
 - (vi) To ensure that policy and services are forward-looking and flexible.

- (b) SWAC recommends the formulation of the following strategic directions, having regard to the prevailing social circumstances and development, so as to establish a framework for the overall long-term social welfare planning in Hong Kong –
 - (i) To promote social investment;
 - (ii) To encourage multi-partite partnership and collaboration;
 - (iii) To develop and promote social enterprise;
 - (iv) To enhance capacity and network building;
 - (v) To drive service delivery by innovation;
 - (vi) To adopt a family and district-based approach; and
 - (vii) To conduct research-based planning and assessment.

- (c) SWAC recommends the implementation of a social welfare planning mechanism which allows for full and extensive participation of the welfare sector and other stakeholders so as to respond to the changing welfare needs promptly and effectively.

6.3 It came to the notice of SWAC during the consultation process that some stakeholders expected the study to cover the development and planning of individual welfare service areas. However, as stated elsewhere in this Report, SWAC is responsible for advising the Administration on the formulation and implementation of social welfare policies from a macro and holistic perspective. The study is conducted with the same rationale and principle in mind and therefore does not dwell on individual welfare areas or the detailed provision of services and resources. We believe that the Administration and other relevant advisory committees will continue to study and follow up on the development of individual welfare areas in accordance with the established mechanism as appropriate and necessary.

6.4 SWAC launched the study in the hope of developing a blueprint for future social welfare in Hong Kong. We believe that the proposed guiding principles, strategic directions and planning mechanism will facilitate the sustainable development of the social welfare policies and services in the long term. The strategic directions are applicable not only to overall social welfare development planning at the macro level, but also to social welfare planning at the micro level as they can serve as guidance for service providers to plan and review the development direction and effectiveness of individual service areas. We encourage the welfare sector and other stakeholders to draw reference from these strategic directions for their service planning and provision.

6.5 SWAC believes that the proposed planning mechanism, if adopted by the Administration and supported by stakeholders, will help keep our welfare foci and priorities under constant review in future. It will also provide a formal platform to engage the wide participation of the welfare sector and other stakeholders by allowing them to make timely and practicable suggestions to address the prevailing social conditions and welfare needs. As a matter of fact, this planning mechanism is in itself a good embodiment of our proposed guiding principles and strategic directions, including encouragement of service users' participation, exploration of the feasibility of cost-sharing by the financially capable, and encouragement of multi-partite partnership and collaboration.

6.6 As far as SWAC is concerned, the submission of this Report does not mean that the job is done. Rather, it opens a new page for the long-term planning and development of social welfare in Hong Kong. Looking ahead, SWAC will proactively participate and assist in taking forward the recommendations in the Report, in particular putting in place the proposed planning mechanism. We look forward to the active engagement and contribution of the welfare sector and stakeholders in helping us realise the vision of building a caring society. After all, in the planning and provision of social welfare services for Hong Kong, government efforts alone are never enough. The real key to the success of the social welfare policies and initiatives lies in the support and participation of the social welfare sector, stakeholders and members of the public.

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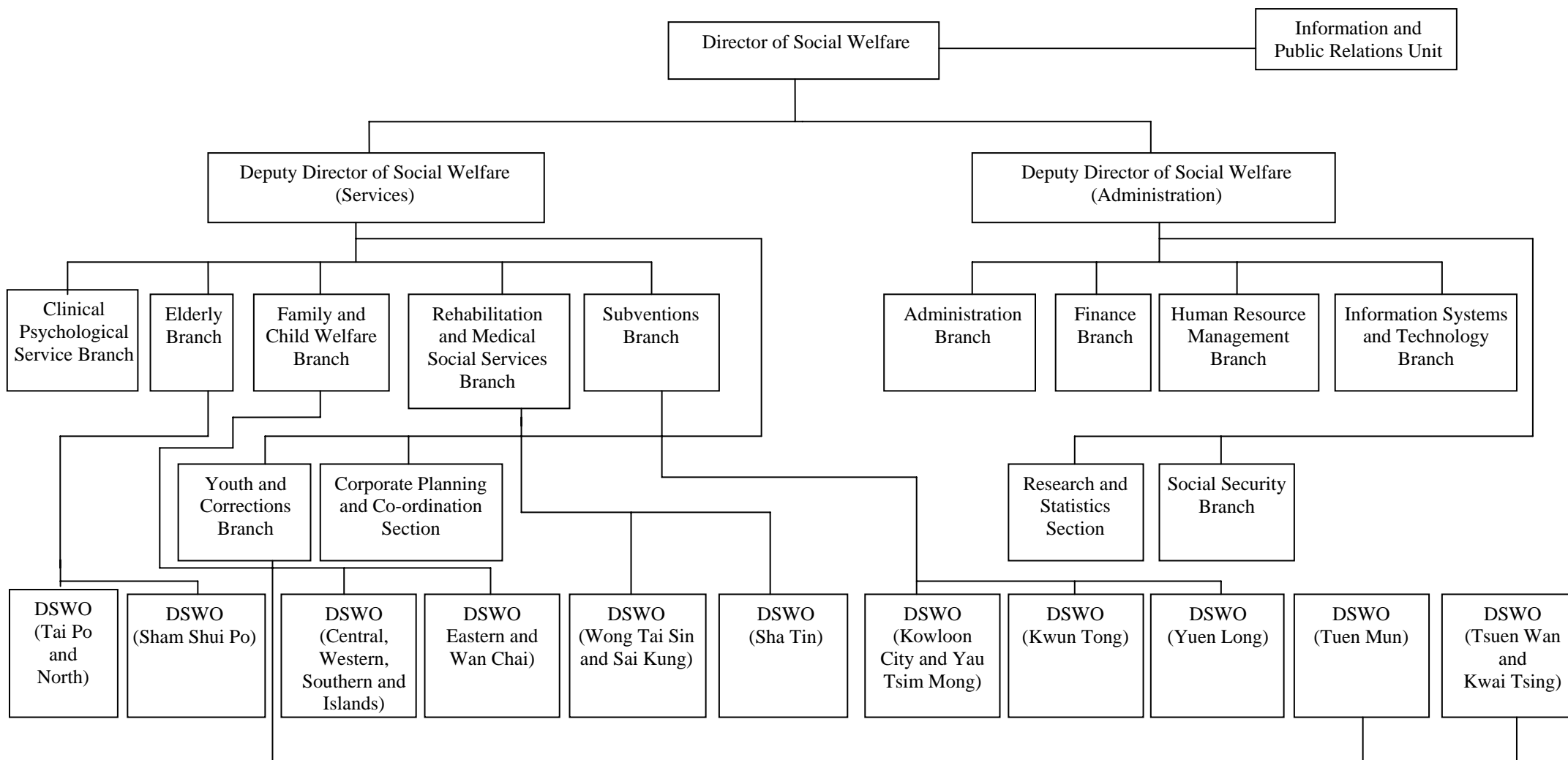
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Existing Organisation Structure of the Social Welfare Department



Annex 4

Workflow of the Welfare Planning Mechanism proposed by SWAC

