

**Minutes of the
Social Welfare Advisory Committee (SWAC) Meeting**

**1 June 2021 (Tuesday) at 10:00 a.m.
Training cum Lecture Room, 5/F, Central Government Offices**

Present

Mr Lester Garson HUANG (Chairman)
Dr BAI Xue
Ms Sylvia CHAN May-kuen
Dr Gary CHENG Faat-ting
Mr CHUGH, Manohar Thakurdas
Mr Andy HO Wing-cheong
Mr Anthony KWAN Wai-ming
Mr Frederick LAI Wing-hoi
Dr LAM James Joseph
Mr Armstrong LEE Hon-Cheung
Ms Anthea LO Wing-sze
Prof Petrus NG Yat-nam
Dr PAN Pey-chyou
Ms Cindy PUN Siu-fung
Dr Ricky SZETO Wing-fu
Dr Janice TSANG Wing-hang
Ms Eva WONG Ching-hung
Prof Frances WONG Kam-yuet
Mr Anthony WONG Kin-wai
Ms Amarantha YIP Yun-wan

In Attendance

Labour and Welfare Bureau

Ms CHANG King-yiu	Permanent Secretary for Labour and Welfare
Mr David LEUNG	Deputy Secretary for Labour and Welfare (Welfare) 1
Ms Polly KWOK (For discussion item 2 only)	Deputy Secretary for Labour and Welfare (Welfare) 2

Ms Manda CHAN (For discussion item 2 only)	Commissioner for Rehabilitation
Mr Daniel FONG (For discussion item 2 only)	Administrative Assistant to Secretary for Labour and Welfare
Mr Andrew TSANG	Principal Assistant Secretary for Labour and Welfare (Welfare) 1
Ms Linda LAW (For discussion item 2 only)	Principal Assistant Secretary for Labour and Welfare (Welfare) 3
Prof Alice CHONG (For discussion item 2 only)	Senior Researcher (2)
Miss Karen SHING (For discussion item 1 only)	Assistant Secretary for Labour and Welfare (Welfare) 1A
Mr Michael LI	Assistant Secretary for Labour and Welfare (Welfare) 1C (Secretary to SWAC)
Mr Adams WONG	Executive Officer (Welfare) 1A
Ms Jessica LI	Executive Officer (Welfare) 1B

Social Welfare Department (SWD)

Mr Gordon LEUNG	Director of Social Welfare (DSW)
Mr KOK Che-leung (For discussion item 1 only)	Deputy Director of Social Welfare (Services)
Mr Alex WONG (For discussion item 1 only)	Assistant Director (Subventions)
Ms LAM Bun-gee (For discussion item 1 only)	Chief Social Work Officer (Subventions)

The Hong Kong Polytechnic University Consultancy Team
(The Consultancy Team) (For discussion item 2 only)

Prof Hector TSANG	Chair Professor
Dr Angela LEUNG	Associate Professor
Dr Stephen CHAN	Project Manager

Absent with apologies

Miss CHEUNG Sze-wing
Dr Gary NG Ka-wing

Discussion Item 1: Review Report on the Enhancement of the Lump Sum Grant Subvention System

The Chairman said the Government briefed Members on the Review on Enhancement of Lump Sum Grant Subvention System (LSGSS) on 7 December 2020. At that meeting, Members welcomed the Government's briefing of SWAC on the scope and progress of the review, and indicated in-principle agreement to the methodology of the review. The Task Force for Review on Enhancement of LSGSS had since completed the review and made 30 recommendations.

2. Members indicated support to the recommendations of the review in general. In particular, Members shared the following observations—

- (a) The recommendation to increase subventions for non-governmental organisations' (NGOs') central administration would be conducive to NGOs' handling of their increasing workload in administrative and managerial work.
- (b) The use of actuarial service would help improve NGO's financial planning. There were merits in requiring all subvented NGOs to make use of the subsidised actuarial service, as their effective use of resources would in turn benefit stakeholders, including service users; with reference to the practice in the private sector, SWD might consider requiring NGOs to set up an independent audit and monitoring committee under the board to monitor the NGO's financial situation.

3. Members also made the following suggestions on the aspects on which the Government could further its support to NGOs by capitalising on the existing framework of LSGSS –

- (a) Consideration might be given to encouraging the sharing of good practices among NGOs so as to enhance the quality of services for users. Collaboration among NGOs, especially those providing similar services, should be encouraged.
- (b) SWD could provide more guidance to NGOs on the use and management of LSG reserve in the Holding Account.
- (c) NGOs might find cost apportionment between Funding and Service Agreement (FSA) and non-FSA activities difficult. It was important for SWD to provide clear guidelines for NGOs.
- (d) Regarding the systematic service reviews, SWD should suitably prioritise among the different service types concerned to ensure that the reviews would be conducted in a timely manner.

4. Concerns were also raised by some Members on the following areas –

- (a) The subvention for staff salary based on the mid-point salaries benchmark was not sufficient, especially in recruiting paramedical staff and retaining experienced staff. Past relevant experience of staff should be taken into account.
- (b) The Government should consider ways to facilitate NGOs' better utilisation of reserves. Consideration might also be given to raising the cap on NGOs' reserves to encourage NGOs to use the resources prudently.
- (c) Future reviews should explore the direction and long-term development of welfare service delivery, taking into account prevailing factors including the fiscal condition and social factors.

5. The Government gave the following responses –

- (a) In implementing LSGSS, the Government had endeavoured to strike a balance among the use of public money, quality of services and amount of outputs delivered. In doing so, the Government had attempted to evaluate the effectiveness of subvented service

provided by NGOs by measuring the quantitative outputs and evaluating the outcome. The LSG Independent Complaints Handling Committee was set up in 2009 to handle LSG-related complaints that could not be satisfactorily addressed by the NGOs concerned.

- (b) Considering the challenges faced by NGOs in an ever-changing social environment, recommendations had been formulated under the review to enhance the quality of welfare services, including the provision of a learning platform on governance and management; subsidy for staff training, business system upgrading and service studies; and the enhanced administrative and professional support to NGOs.
- (c) SWD would formulate a set of cost apportionment guidelines on the use of LSG subvention (including the arrangements and benchmarks for cost apportionment between FSA-activities and non-FSA activities), and would draw up the criteria for delineating FSA-related activities.
- (d) SWD would develop a standing mechanism to conduct welfare service reviews in a more systematic manner to ensure service quality and development. In conducting systematic reviews, SWD would draw up the criteria for priority service review, e.g. priority should be accorded to services that had not been reviewed for a long time, involved a larger number of units or had a greater development need.
- (e) The LSGSS neither stipulated any pay structure for NGOs, nor necessitated NGOs capping staff salaries at mid-point. According to the findings of the consultancy firm, there was no data to show that SWD's subvention amount based on benchmarking against mid-point salaries of civil service pay scales was insufficient to cover NGOs' expenditure on salaries. In the light of some posts being left vacant for a long period of time due to recruitment difficulty as reported by NGOs, SWD had already made special arrangements to provide additional funding of two to three pay points on top of the mid-point salary of the relevant posts, including paramedical posts.
- (f) The importance of the reserve in helping NGOs to meet emergency needs and develop financial plans for future development was noted. However, NGOs should make proper

use of the reserve and develop effective and long-term financial plans and arrangement, while maintaining financial stability, so as to strike an appropriate balance between maintaining financial stability and supporting the continuous development of staff and services. Recommendations were made under the review (e.g. the regularisation of the scheme to subsidise NGOs to use actuarial service, improvement in the management of Holding Account) to facilitate NGOs' effective resource management.

6. The Chairman concluded that LSGSS focused on the effectiveness of service delivery or output and hence allowed NGOs to exercise flexibility in resource deployment so that they could enhance efficiency through service re-engineering, re-prioritisation and innovation, and deliver quality services to users in a more cost-effective manner. LSGSS also helped simplify administration work and enhance the quality of service substantively. Therefore, SWAC supported the continuation of the service and funding model of LSG, and welcomed the 30 recommendations put forward by the Task Force for Review on Enhancement of LSGSS to enhance the system, such as better utilisation of reserves and financial planning on the part of NGOs, and systematic service reviews to keep pace with the changing needs of service users. The Chairman also pointed out the resource implications of implementing the recommendations on the public coffers, and that the need of prioritising the various service needs had to be considered. He thanked DSW and the Task Force for Review on Enhancement of LSGSS for their efforts in completing the review, and encouraged SWD to maintain dialogue with relevant stakeholders in taking forward the recommendations.

Discussion Item 2: Study of Support for Carers

7. Members were invited to give comments on the paper. Members raised the following comments –

- (a) Multi-disciplinary and inter-departmental collaboration were crucial in enhancing support to carers. The Government might consider setting up a committee to promote the public awareness in the community and enhance support to carers.
- (b) If financial support were to be provided to carers, prioritisation would be important as resources were always limited.
- (c) It was important to have a neighborhood support network established in a community for offering a variety of support to

carers. Consideration might be given to mobilising community resources in providing support to carers. Community education was also important.

- (d) The Government might consider providing incentives to the business sector for implementing carer-friendly initiatives for employees, such as providing time-off for employees to perform caring duties. The business sector's effort in this regard would be crucial for creating a carer-friendly society.
- (e) The Government might consider encouraging "graduated carers" (i.e. those who were once carers but no longer had their care-giving roles) to join the caring industry or to provide caring services to those in need.
- (f) Possible forms of support that could be provided by the Government to carers included the provision of more effective respite and caree-sitting services, as well as the application of technology. In contemplating capacity-building services for carers, consideration might be given to engaging their careers simultaneously so as to save the carers the trouble of seeking respite services.
- (g) With the abundance of information available on different platforms and some of such information being inaccurate, the Government might encourage business sector, social enterprises or NGOs to consolidate and disseminate one-stop, up-to-date and reliable information to carers.
- (h) Consideration might be given to conducting a further study on how the services and resources currently available could cater to the needs of carers.

8. The Government gave the following response –

- (a) The Government and the Consultancy Team would consider and consolidate the views and suggestions of SWAC, and would refine the presentation for further consultation with the other advisory bodies concerned.
- (b) There was a wide array of existing carer support services provided by the Government and stakeholders. The findings of the Study undertaken by the Consultancy Team would facilitate integration

and prioritisation of the resources injected by the Government, and examination of relevant initiatives/programs by NGOs, academics and charities, so as to provide effective support to carers of frail elderly persons and persons with disabilities. The Consultancy Team would integrate, re-focus and prioritise such existing services in accordance with the principles of – (i) seeing carers’ roles and needs in the community; (ii) capacity building of carers; (iii) multi-partite collaboration; and (iv) sustainability of carer support.

9. The Chairman concurred that it was important to provide support to carers, which could help identify carers in the community and help prevent possible tragedies resulting from the distress and lack of support of carers concerned. He also suggested that a career path for care-givers be developed for attracting more people (especially young people) to join the caring industry. The Chairman invited the Government to consider Members’ comments in mapping out the way forward of the Study in integrating, re-focusing and prioritising the existing services available.

SWAC Secretariat
July 2021