

**Minutes of the
Social Welfare Advisory Committee (SWAC) Meeting
held on 5 February 2009 at 3:00 p.m.
in Room 215, Main Wing, Central Government Offices**

Present

Professor Chan Yuk-shee (Chairman)
Miss Maggie Chan Mei-kit
Dr Miranda Chung Chan Lai-foon
Mr Quentin Fong King-sang
Mr Herman Hui Chung-shing
Dr Benjamin Lai Sau-shun
Dr Lam Ching-choi
Ms Lam Shuk-yee
Mr Christopher Law Kin-chung
Dr Leung Wing-tai
Mr Vincent Lo Wing-sang
Mr Timothy Ma Kam-wah
Dr Jimmy Wong Chi-ho
Ms Lisa Yip Sau-wah
Mrs Agnes Mak Tang Pik-yee
Prof Tang Kwong-leung
Mr Tung Chi-fat
Mrs Teresa Tsien Wong Bik-kwan
Dr Dorothy Chan Yuen Tak-fai
Mr Benedict Wong Chung-mat
Miss Vicky Cheung (Secretary)

In Attendance

Labour and Welfare Bureau (LWB)

Mr Paul Tang Permanent Secretary for Labour and Welfare (PSLW)

Miss Eliza Lee Deputy Secretary for Labour and Welfare (Welfare)1
(DS(W)1)

Ms Carol Yip Deputy Secretary for Labour and Welfare (Welfare)2
(DS(W)2)

Ms Irene Young Principal Assistant Secretary for Labour and Welfare
(Welfare)1 (PAS(W)1)

Social Welfare Department (SWD)

Miss Ann Hon Assistant Director of Social Welfare (Subvention)
(AD(S))

Mrs Helen Kwok Chief Social Work Officer (Strategic Planning)

Absent with apologies

Mr Bunny Chan Chung-bun

Mr Silva Yeung Tak-wah

**Discussion Item: Study on the Long-term Planning for Social Welfare
(SWAC Papers No. 01/2009 and 02/2009)**

Members were briefed on the latest development of, and proposed way forward for, the study on the Long-term Planning for Social Welfare.

2. Members offered the following comments:

- (a) The 2004 Strategic Framework was considered a useful reference and could be used as a basis for SWAC's current study;
- (b) A Task Group should be formed to take forward the exercise. It should review the principles and core values previously identified in the light of subsequent developments and current social needs, before devising a study plan;
- (c) A comprehensive welfare planning exercise should take into consideration a wide range of issues related to social development, including social trends, the demographic and cultural characteristics of our society, manpower situation, the impact of globalization on Hong Kong, etc.;

- (d) Our welfare system should aim at strengthening social bonding, and to this end, the Government should provide more preventive and developmental services rather than remedial ones;
- (e) As specific reviews were conducted on various service areas including family services, elderly services, etc., the welfare planning exercise of SWAC should focus on macro-level issues instead of service provision in individual areas;
- (f) In pursuing the study, SWAC should adopt a more pragmatic approach by focusing on welfare issues, to ensure that the recommendations would be viable and could meet the expectations of the sector. Resource constraints and the resource allocation processes of the Government should also be taken into account;
- (g) The scope of the study should be clearly defined before the Task Group embarked on the exercise, and SWAC should provide a steer. The Task Group should formulate a consultation framework and the study methodologies for SWAC's consideration. A retreat for SWAC could be arranged to brainstorm on the directions and priorities before the Task Group proceeded with the exercise; and
- (h) SWAC should consider how best to arouse the interest of the stakeholders and stimulate the discussion on the subject.

3. The Government gave the following responses:

- (a) Noted that SWAC's first consultation was meant to focus on broad principles and macro issues. Although stakeholders were invited to give initial views on a number of questions pertaining to welfare planning, the comments received were too diverse, and it would be difficult for SWAC to draw a conclusion or draft a consultation document on that basis. Setting up of a Task Group could help SWAC to draw up a study scope and methodology;

- (b) In conducting the study, SWAC should concentrate on welfare issues. Otherwise, the scope of the study would be too broad to handle; and
- (c) The future welfare planning mechanism should have due regard to the resource allocation processes of the Government.

4. Members agreed to set up a Task Group to take forward the study. The Task Group should formulate a study framework and an action plan for the second-phase consultation for consideration by SWAC.

Discussion item: Review of the Lump Sum Grant Subvention System (LSGSS)

5. Members were briefed on the background of the review, the recommendations of the Lump Sum Grant Independent Review Committee (IRC) as set out in its review report published in December 2008 and Government's responses to these recommendations.

6. Members made the following comments:

- (a) Some recommendations were relatively straightforward and could be implemented without affecting the existing system. Others were complicated and might require more time for implementation;
- (b) SWD should enhance the existing Service Performance Monitoring System to monitor more closely the performance of non-governmental organisations (NGOs) and raise service quality;
- (c) It would be difficult to dispel major misunderstandings about the LSGSS in the absence of objective indicators showing that the quality of our welfare services had improved as a result of the LSGSS. Unlike other sectors, welfare sector in Hong Kong was not used to conduct evidence-based research to demonstrate to the public, through facts and figures, that resources invested in our welfare services had been effective in helping the disadvantaged. An objective study should be conducted to indicate how effective and efficient the LSGSS was vis-à-vis the

conventional subvention mode adopted years ago;

- (d) The report had comprehensively reviewed the system and offered valuable advice on the management and governance of NGOs, although it might be difficult for big NGOs to change their management culture;
- (e) Measures facilitating the development of small NGOs, in particular those encouraging them to submit joint proposals, could enhance the competitiveness of small NGOs;
- (f) Although NGOs were aware of the importance of using public funding properly and might be prepared to spend their reserves on service enhancement, most NGOs were companies registered under the Company Ordinance. As required by law, they had to set aside a certain amount of funding as reserves and therefore could not spend them all on services or staff;
- (g) To facilitate the continuous development of the LSGSS, there should be a change in the mindset of all the stakeholders in the sector. It was necessary to improve the management skills of NGOs and ensure they were accountable to the public;
- (h) Although the “snapshot staff” arrangement did create a problem of “equal work but different pay” among NGO staff, it was pointed out that the issue of “equal work but different pay” was not a concern in other sectors;
- (i) The LSGSS implemented in Hong Kong was in fact a very advanced and sophisticated funding model, as compared to those in some overseas countries;
- (j) It was not clear whether the Social Welfare Development Fund, as recommended by IRC, could be used to provide tide-over grants to the non-subvented NGOs to alleviate their financial burden in the economic downturn.

7. The Government gave the following responses:

- (a) It would be difficult to justify using public resources to subsidize the general operation of the non-subsided NGOs, given their diverse nature and the large number of NGOs involved. Nonetheless, the Government had set up various funding schemes for specific purposes. Non-subsided NGOs which met the eligibility criteria were encouraged to apply for funding under these schemes. Other non-governmental funding sources, for example, the Community Chest, were also available to non-subsided NGOs. Invitation of proposals by SWD for some new services was open to all NGOs, including those not subsidized on a recurrent basis;
- (b) For quality assurance purposes, SWD had been conducting inspections and surprise checks on NGOs' service units and would interview the service users directly to ask for feedback. NGOs had to achieve the service targets set out in the Funding and Service Agreements (FSAs). Service performance indicators were also developed to assess NGOs' performance;
- (c) To help NGOs adapt to the new funding model and meet contractual obligations in respect of snapshot staff, a Special One-off Grant and a Tide-Over Grants were provided to NGOs between 2001-02 and 2006-07; and
- (d) NGOs were bound by the Lump Sum Grant Manual and FSAs in the use of reserves, and risky investment was not allowed.