

Minutes of the
Social Welfare Advisory Committee (SWAC) Meeting
held on 27 November 2002 (Wednesday)

Present

Mr Peter Wong Hong-yuen (Chairman)

Mr Darwin Chen

Mrs Cheung Ang Siew-mei

Miss Christine Fang Meng-sang

Mr Keith Lam Hon-keung

Miss Dorothy Lau Wai-ling

Dr the Hon Law Chi-kwong

Dr Leung Cho-bun

Dr. Ng Yau-yung

Mr Poon Huen-wai

Mr Wan Chi-keung

Miss Deborah Wan Lai-yau

Mr Wilfred Wong Ying-wai

Mr Stephen Yau How-boa

Ms Jessie Yu Sau-chu

Miss Katharine Choi (Secretary)

In Attendance

Health, Welfare and Food Bureau (HWFB)

Mr Robin Gill	Deputy Secretary for Health, Welfare and Food (Welfare)
Miss Diane Wong	Principal Assistant Secretary for Health, Welfare and Food (Welfare)

Social Welfare Department (SWD)

Mrs Carrie Lam	Director of Social Welfare
Mrs Patricia Chu	Deputy Director of Social Welfare (Administration)

(For item 3)

Mr Cheung Hing-wah	Assistant Director (Youth and Corrections), SWD
Mrs Lily Ng	Senior Social Work Officer (Youth) 2, SWD
Mr Eric Hui	Assistant Secretary for Home Affairs (5)2

(For item 4)

Miss Johanna Tsao	Assistant Director (Subventions and Performance Monitoring), SWD
Mr Fu Tsun-hung	Chief Social Work Officer (Subventions Liaison), SWD

(1) Final Report on the Consultancy Study on the Review of Integrated Neighbourhood Projects in Targeted Old Urban Areas

[SWAC Paper No. 20/02]

Members were invited to note the findings and recommendations of the Final Report of Consultancy Study on the Review of Integrated Neighbourhood Projects (INPs) in Targeted Old Urban Areas, and to advise on the proposed initiatives to take forward the recommendations of the Study. This mainly included the redeployment of a portion of INP resources to form eight Family Support Networking Teams (FSNTs), starting in January 2003. These FSNTs would be formed in the same districts as the INPs, and would be attached to the mainstream services in the district provided by the same operator.

2. Members made the following comments:

(a) it was considered that mutual help and community participation should be encouraged by the FSNTs; and

(b) it was suggested that, instead of redeploying INP resources within the original service area, the SWD should take the opportunity to redeploy such resources to districts or services which demonstrated a greater need for resources.

3. The Government's response included:

(a) on encouraging mutual help and community participation by FSNTs, the SWD and welfare agencies fully appreciated these values, which had already been promoted throughout mainstream welfare services; and

(b) the Government had always taken into consideration the need to enhance resource efficiency in re-engineering every welfare service. The proposed arrangement of redeploying resources within the same district now served by INPs, was considered justified in view of continued needs in those areas as confirmed with the help of Professor Yeh. However, with the setting up of the eight NGO-run FSNTs, SWD would re-visit its own 14 FSNTs to see whether some redeployment was justified.

4. The meeting concluded that the proposed re-engineering arrangements as recommended by the Consultants were generally supported.

(2) Efficiency Savings for 2003-04 to 2006-07

5. Members noted the overall social welfare expenditure in the past decade, key issues affecting operating expenditure in 2003-04, as well as the experience of effecting the Enhanced Productivity Programme in the welfare sector between 2000 and 2003. They were invited to provide views on the possible strategies in meeting the savings requirement in the welfare field. Members also noted the concerns raised by welfare

agencies at a relevant briefing held on 19 November 2002.

6. Members made the following comments:

(a) it was considered that the efficiency savings requirement, together with the end of the Tide-Over Grant, would be a challenge confronting the welfare sector in the coming years;

(b) it was suggested that welfare agencies should develop a long-term strategy on resource management and seek to reduce their financial dependency on the Government; in this relations, it was noted that the Hong Kong Council of Social Service had started discussions with welfare agencies and the relevant labour unions, to facilitate the formulation of strategies to address this issue;

(c) it was considered inevitable to effect the reduction in subvention by containing staff costs and expenditure on service operation. There was suggestion that agencies should first identify the scope for deleting posts, service units/sub-units and conduct in-situ expansion. Any salary cut should be considered at a later stage, in view of the cumulative effect brought about by the recent salary reduction;

(d) it was considered that the Government should help agencies to launch a voluntary retirement scheme by, for example, sharing experiences on implementing the scheme in the civil service;

(e) there were views that the welfare sector should seek to enhance its staff management skills, in view of the sensitivity of staff issues in particular those related to reducing staff benefits;

(f) as regards using the surplus accrued under the Lump Sum Grant arrangement to meet efficiency savings, it was considered that NGOs should plan ahead and address the consequences that would arise (e.g. the post Tide-over Grant period arrangement);

(g) there were suggestions that juvenile homes or elderly homes could be moved to the Mainland for lower capital and recurrent costs;

(h) it was noted that organizational merging has been widely adopted by the private sector in enhancing resource efficiency;

(i) it was suggested that some resource maximization strategies widely adopted in other sectors, could also be usefully applied to the welfare sector including:

- (1) reduce staff requirement by streamlining administrative procedures;
- (2) let the premises to other NGOs to organize activities;
- (3) charge fees for some services/activities currently provided free of charge e.g. talks and seminars;
- (4) organize bulk purchase of office materials from the Mainland; and
- (5) explore the possibility of exporting services; and

(j) there were suggestions about adjusting the level of assistance provided under the Comprehensive Social Security Assistance (CSSA) Scheme to new arrivals. Whether the level of assistance should be adjusted in accordance with deflation as well as whether more regulations should be imposed to enhance the incentive of the CSSA recipients to return to the labour market, were also raised.

7. The Government's response included:

(a) whilst the SWD would continue to identify scope for efficiency savings at the central level, NGOs should start to examine opportunities for further rationalisation and streamlining measures. Staff should be involved in the process, in anticipation of a likely reduction in subvention in 2003-04 and thereafter;

(b) as regards the directions to pursue to meet the efficiency savings requirement, the sector should consider broadening its source of income whilst stepping up control on expenditure. Possible income areas that could be further explored included the provision of consultancy of services, as well as levying charges on some value-added services. The SWD would also revisit its fee-charging services; and

(c) regarding organizational merging as a means to promote resource efficiency, it was noted that small-scale merging had also taken place in the welfare sector. The Government had adopted a facilitating approach towards such moves. For instance, savings arisen from the winding-up of agencies could be carried forward to the agencies which took over the service.

8. The meeting concluded that Hong Kong people, including the welfare sector, should join hands to tackle the financial difficulties that confronted the Government and indeed, the entire society. It was considered that constructive response and efforts from the welfare sector would help project a positive image that might encourage donations from the general public.

Health, Welfare and Food Bureau

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