

Minutes of the
Social Welfare Advisory Committee (SWAC) Meeting
Held on 30 January 2004 (Friday)

Present

Mr Wilfred Wong Ying-wai (Chairman)

Ms Vivien Chan

Mr Darwin Chen

Mrs Cheung Ang Siew-mei

Dr Miranda Chung Chan Lai-foon

Ms Christine Fang Meng-sang

Mr Wilfred Lee Chee-wah

Dr Leung Cho-bun

Mrs Mary Leung Ling Tien-wei

Prof Diana Mak Ping-see

Mr Poon Huen-wai

Mr Aaron Wan Chi-keung

Miss Deborah Wan Lai-yau

Ms Marina Wong Yu-pok

Mr Stephen Yau How-boa

Mr Silva Yeung Tak-wah

Miss Jessie Yu Sau-chu

Ms Wendy Cheung (Secretary)

In Attendance

Health, Welfare and Food Bureau (HWFB)

Ms Susie Ho Deputy Secretary for Health, Welfare & Food (Welfare)

Mr Patrick Nip Deputy Secretary for Health, Welfare & Food (Elderly Services) (for items 2 and 3)

Miss Diane Wong Principal Assistant Secretary for Health, Welfare & Food (Welfare)

Mrs Brenda Fung Principal Assistant Secretary for Health, Welfare & Food (Elderly Services) 1 (for items 2 and 3)

Miss Phidias Tam Assistant Secretary for Health, Welfare & Food (Welfare) 2 (for item 4)

Mrs Grace Ng Project Management Officer, Community Investment and Inclusion Fund (for item 5)

Social Welfare Department (SWD)

Mr Paul Tang Director of Social Welfare

Mrs Agnes Allcock Deputy Director (Administration) (for items 2, 3 and 4)

Mrs Rachel Cartland Assistant Director (Social Security) (for items 2 and 3)

Miss Ann Hon Assistant Director (Subventions and Performance Monitoring) (for item 4)

Mr Cheng Chok-man Chief Social Security Officer (Social Security) 1 (for item 2)

Miss Yeung Kok-wah Chief Social Security Officer (Social Security) 4
(for item 3)

Mr Lai Shiu-bor Chief Social Security Officer (Social Security) 2
(for item 3)

Mr Fu Tsun-hung Chief Social Work Officer (Subventions Liaison)
(for item 4)

Mr Kenneth Ng Senior Statistician (for items 2 and 3)

Planning Department

Mr Alfred Y K Lau Chief Town Planner / Strategic Planning (for item 1)

City University of Hong Kong

Prof Leung Kwok Head of Department of Management (for item 3)

(1) Hong Kong 2030 : Planning Vision and Strategy (HK2030 Study) Stage Three Public Consultation – Planning Choices for our Future

[SWAC Paper No. 1/04]

The paper sought Members' views on the various issues covered in the Stage Three Public Consultation of the HK2030 Study, which included key assumptions used in deriving the reference scenario, possible planning choices and options, spatial development patterns and alternative scenarios.

2. Members made the following comments:

- (a) it was suggested that the Government should review the key planning assumptions and options to be adopted in the HK2030 Study in light of the major changes in the past few years;
- (b) on the planning choice/option on the location of new jobs, it was considered that more job opportunities should be created and decentralized to the New Territories. More incentive should be given to attract corporations to set up business there;
- (c) there were views that instead of carrying out further land reclamation, the focus should be to rejuvenate and redevelop the existing old industrial districts in order to provide more job opportunities;
- (d) in view of high operating costs in Central Business District, it was suggested that new business development areas should be set up in other areas; and
- (e) due to the growing interactions between Hong Kong and the Mainland, it was recommended that cross-boundary transport infrastructure should be strengthened.

3. The Government's response included:

- (a) the population projections and assumptions used in the present Study had already taken into account the major changes over the past few years. The Planning Department would continue to keep in view any further developments that might have substantial implications on the Study;
- (b) cross-boundary transport infrastructure would be strengthened, including the proposed Hong Kong-Zhuhai-Macau Bridge and Hong Kong-Guangzhou Express Rail Line. Long-term use of the boundary areas would also be examined; and

- (c) the planning control on the conversion of industrial land into business/commercial purposes had already been relaxed. Mass transit would be further strengthened to solve the problem of long travelling time and heavy transport demand arising from working in the Central Business District.

4. The Meeting considered that the key issues that the Study had to address was to decide on whether the existing development density should be continued or lower density should be adopted for future sustainable development. The option between extending the existing urban areas and identifying new development areas should also be addressed to. In light of the problem of over-crowdedness and long journey time, more development areas should be created in the suburban areas in the long run.

(2) Supplementary Provision for the Comprehensive Social Security Assistance Schemes [SWAC Paper No. 3/04]

5. The paper informed Members of the Administration's plan to seek the approval of the Finance Committee for a supplementary provision of \$300 million for the Comprehensive Social Security Assistance Scheme for 2003-04 in anticipation of inadequate approved provision. The meetings of the Panel on Welfare Services and the Finance Committee had been scheduled for 9 February and 20 February respectively.

6. The Committee noted the paper and made no further comments.

(3) Evaluation Report on the Ending Exclusion Project for Single Parents on Comprehensive Social Security Assistance [SWAC Paper No. 2/04]

7. The paper reported on the findings of the evaluation report of the Ending Exclusion Project (EEP) for single parents on Comprehensive Social Security Assistance (CSSA). To assist these single parents whose youngest child was under 15 to become more self-reliant and reduce their risk of social exclusion, the EEP was launched in March 2002. A longitudinal study of the EEP had been commissioned by the SWD to a joint research team from the City University of Hong Kong and the Chinese University of Hong Kong. The aim of the Study was to gauge the psychological, attitudinal and behavioural changes of the single parents and their children over a

year and assess the effectiveness of the EEP. The report of the Study concluded that the project was effective. EEP participants exhibited more job-seeking behaviour and subsequently secured more part-time employment. They also became less isolated and improved in work involvement. The EEP had been well received by participants generally and was endorsed by relevant parties. With the aim of assisting more single parent recipients to improve the family life of themselves and their children, it was proposed to continue with the programme and explore the best ways to help parents achieve self-reliance.

8. Members made the following comments:

- (a) it was considered that the different background between the single parents who succeeded in seeking part-time employment and those who failed might have significant implications on their ability to get a job;
- (b) it was considered more incentive should be provided for single parents to go to work. As shown from the Study, it appeared that EEP might be more effective in helping single parents seek part-time job if the maximum level of disregarded earnings could be further increased. However, there were contrary views that the disregarded earnings, rather than being an incentive, were in fact discouraging single parents to seek employment since the rate was on the high side;
- (c) to deal with the root of the problem, it was considered that single parents should be self-reliant at the start. Only when they could not find job for justifiable reasons would they be entitled to CSSA for a limited duration and on decreasing scale. Employment training opportunities should be provided and after school care services should be enhanced; and
- (d) there were views that the single parent issues should be regarded as reflections of the deeper and wider problems existed in our social welfare system. A social problem was inter-related with many other issues. The fundamental problem seemed to be the conceptual discrepancies between different parties on the perspective and approaches in social welfare policies. An overall review of these issues as a whole should be embarked in order to solve these social problems.

9. The Government's response included:

- (a) as regards the background of single parents in the Study, a number of factors had been identified in the Study which served as predictors in explaining respondents' ability to get a part-time job. It was observed that there was a high correlation between the sense of optimism and the likelihood of getting a job;
- (b) on the level of Government assistance, it was considered that there must be ceilings on the rates of disregarded earnings and CSSA, otherwise the recipients would take the maximum advantage and become reluctant to work. As the wages for full-time work in the market were much lower than the CSSA rates at present, it seemed that there was not much incentive for the single parents on CSSA to seek full-time employment;
- (c) as the Study had proven that EEP was effective, the programme would be continued, but on the same level as the existing project due to tight resources to expand the scope further; and
- (d) since the original objective of the EEP was to assist CSSA single parents to become more self-reliant and reduce the risk of social exclusion, it was not meant to resolve all problems relating to single parents.

10. The Meeting concluded that the evaluation report of the Study on EEP confirmed that the programme had achieved its original objective. As regards Members' comments on the much bigger issues behind the scene, it was suggested that a more in-depth study on our social welfare system as a whole should be undertaken.

(4) Efficiency Savings in relation to NGOs (for Information)

[SWAC Paper No. 4/04]

11. The paper informed Members of the arrangements to achieve the target of efficiency savings in relation

to the welfare sector. While facing unprecedented fiscal deficit, the Administration was committed to restoring a balanced budget in 2008-09. All government expenditures with the exception of CSSA/SSA and pensions were subject to the deduction of target efficiency savings in the period from 2003-04 to 2008-09.

12. In 2003-04, the total deduction of 1.8% efficiency savings from the operating expenditure of the SWD (excluding CSSA/SSA) was \$191 million. Based on the recurrent subvention for NGOs operating welfare services, the requisite deduction of 1.8% efficiency savings was about \$130 million. The deduction was applied across-the-board to subvention allocations on an agency basis. The SWD had continued to rationalize existing services for improving service quality and cost effectiveness and meeting changing community needs.

13. For 2004-05, in addition to the 1.8% efficiency savings made in 2003-04, frontloaded additional efficiency savings of slightly above 3% would be deducted at \$323 million from the operating expenditure for the SWD. With the intention to reduce the impact on NGOs, SWD would make a lower deduction of efficiency savings at 2.5% from the 2004-05 subvention allocations. As such, the deduction from the 2004-05 subvention allocations to NGOs would be about \$160 million. In addition, SWD would continue to pursue planned rationalization of services. SWD had conducted sharing sessions for the NGO sector in December 2003 and would maintain dialogue with the sector on implementation. The Department fully appreciated that the implementation of the 2.5% efficiency savings for 2004-05 would pose a challenge to the welfare sector, and NGOs were keen to know the saving targets for subsequent years. SWD would discuss with individual NGOs who genuinely could not cope with the 2.5% savings in 2004-05 and discuss with the welfare sector in the saving targets for subsequent years and issues related to the termination of the Tide-over Grant in 2006-07 once matters relating to the 2004-05 Budget had settled.

14. Members made the following comments:

- (a) apart from the proposed deduction of 2.5% budget cut from 2004-05 subvention allocations, NGOs had already undergone different efficiency savings exercises since 2000. In view of the continuous reduction in resources and service integration and re-engineering, NGOs had been undertaking all kinds of measures to maintain the quality of services and meeting rising social needs. Many agencies could hardly find any more alternatives to meet additional Government saving exercises, other than reducing staff number, salary and service level. The sector requested the Government not to further reduce social welfare expenditure;

- (b) while every sector in the community was facing stringent financial situations over the past few years, it was considered that budget cut was inevitable for the future sustainable development of the welfare sector;
- (c) it was appreciated that despite budget cuts and rising service expectations, social workers had maintained their professional standards in delivering services to the community. The management of the NGOs should therefore boost the morale of their staff, encouraging them to take on the challenges in a more positive way and trying to build up support and recognition from the community. A matching grant could be introduced and funding from the Lotteries Fund (LF) should be allocated for organizing seminars to empower resource development for NGOs;
- (d) it was suggested that application criteria of various funds should be more flexible to facilitate granting of resources to NGOs for carrying out services;
- (e) there were views that the Government and the sector should review the role of NGOs and to rationalize services for future sustainable development. It was crucial for NGOs to change their mode of operation and attitudes towards funding resources. They should be more self-reliant and take more proactive steps in seeking private donations from the community; and
- (f) SWD should keep on communications with NGOs to understand their genuine concerns, and to minimize the impacts of resource deductions, especially on those small and less well provided NGOs.

15. The Government's response included:

- (a) SWD would maintain close dialogue with the welfare sector in the process and would continue to liaise with NGOs to rationalize and prioritize existing services in the longer term;

- (b) on the suggestion on organizing seminars to empower the resource development of NGOs, over \$60 million had already been granted from the LF for Business Improvement Projects for the same purpose; and
- (c) regarding the proposal to introduce a matching grant, it was considered that this would not be practical, given the limited resources of the LF and other possible major commitments, in particular the provisions for the Tide-over Grant for NGOs after 2005-06.

16. The Meeting considered that in light of financial stringency in recent years, every sector in the community had to tighten their budgets. NGOs would also need to review their existing mode of operation and think of other ways to sustainable development. The Government should also consider measures to reduce the heavy expenditure on CSSA, which might in turn relieve the pressure on NGOs' budgets. SWD and the welfare sector should maintain their dialogue to better understand each other's concern and reach consensus on the saving targets in the coming few years.

(5) Progress of Community Investment and Inclusion Fund

[SWAC Paper No. 5/04]

17. The paper reported on the up-to-date position of the Community Investment and Inclusion Fund (CIIF). Since the launching of the CIIF, three batches of applications, involving over 460 project proposals had been received. For the first two batches, a net total of 31 projects were selected, involving total funding support of \$23.1 million. The objectives of the CIIF were to promote community participation, mutual concern, support and assistance, and social inclusion provided through strengthen community networks. This would in turn help reinforce the sense of belonging in the community, enhance mutual help support networks across groups, with a broadened support base available to assist individuals and families to more effectively resolve their problems and address common concerns. It also aimed to encourage and facilitate co-operation between organizations of different nature (such as that between welfare agencies and educational organizations), as well as cross-sectoral collaboration (such as NGOs and the private sector). In general the projects approved so far could be categorized into three types –

- (a) Network and resource building within specific communities as the base;
- (b) Capacity building of specific marginalized, bridging and linking of groups from different social strata and background; and
- (c) Experimenting with different service delivery models; new entry points and approaches to engage with specific groups.

18. In response to a Member's point that less than 10% of the \$300 million had been approved so far and this source of funding might not be able to help NGOs now facing funding cuts, it was explained that CIIF was not a funding source to meet shortfall in funding for services, duplicate or substitute funding for services. Whether projects were supported depended on whether they fulfilled the objectives and ambits of the CIIF. Since the objectives of the CIIF were new, not many applicant organizations in the first two batches were able to master the concepts and develop project proposals that aligned with the specific objectives of the CIIF. Therefore, only a relatively small amount of funding was approved. However, with the ongoing efforts in promoting and permeating the new concepts in the community and briefings to potential applicants, projects submitted in the third batch were much improved. Therefore, it was expected more funding would likely be approved in future. Moreover, as the CIIF Committee would support replicating certain successful models in other districts and experimenting with commissioning pilot district-wide projects, it was likely that more funding would be required for supporting these projects. The success of a fund should not be measured by how quickly this was given, but by the outcome of the projects in contributing to meeting the objectives of the fund.

19. The Committee agreed that allocations should only be given to applications that could align with the objectives and ambit of the CIIF. It was understandable that given the relatively new concepts involved in the Fund, the work on approving funding at the initial stage would inevitably have to proceed prudently and this would likely be expedited with the accumulation of experience. Also, as the concept continued to take root in the community and applicants gained more knowledge of it, it was believed that more successful projects would emerge and more funding would be allocated in future.

20. The Committee noted that that in the 2004 Policy Address, it had been stated that the Secretary for Health, Welfare and Food (SHWF) would engage relevant parties in developing our strategies to enhance ‘social capital’ . The social welfare sector had been encouraging volunteerism, and had proposed many new ideas to involve the business community to participate in community affairs. In addition, the CIIF had sown the seeds for a tri-partite partnership between government, the business community and the third sector (not-for-profit sectors). The SHWF would examine, in consultation with the Social Welfare Advisory Committee and the CIIF Committee, ways to further develop this tri-partite partnership. To follow up on the initiatives, HWFB would work together with relevant stakeholders including the HKCSS for example to re-visit the philosophy of social capital. To mobilize community resources, we would also be examining and developing means to scale-up and transfer successful partnership experience. As a start and acting as a facilitator, the Administration will be organizing seminars relating to these issues to raise awareness and kick start the discussions. The Committee would be closely involved in the process.

Health, Welfare and Food Bureau

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