

立法會
Legislative Council

LC Paper No. CB(2)2780/11-12
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 11 June 2012, at 10:45 am
in Conference Room 3 of the Legislative Council Complex

Members present : Hon CHEUNG Kwok-che (Chairman)
Hon WONG Sing-chi (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Paul CHAN Mo-po, MH, JP
Dr Hon LEUNG Ka-lau
Hon IP Wai-ming, MH
Dr Hon PAN Pey-chyou
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Member absent : Hon WONG Kwok-kin, BBS

Public Officers attending : Items IV and V

Mr Patrick NIP
Director of Social Welfare
Social Welfare Department

Mr LAM Ka-tai
Assistant Director of Social Welfare (Subventions)
Social Welfare Department

Ms Wendy LEUNG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1
Labour and Welfare Bureau

Item V

Mr Matthew CHEUNG
Secretary for Labour and Welfare
Labour and Welfare Bureau

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Ms Candice LAM
Senior Council Secretary (2) 4

Miss Karen LAI
Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Confirmation of minutes
[LC Paper No. CB(2)2268/11-12]

The minutes of the meeting held on 12 March 2012 were confirmed.

II. Information paper(s) issued since the last meeting
[LC Paper Nos. CB(2)2209/11-12(01) and CB(2)2248/11-12(01)]

2. Members noted that the following papers had been issued since the last meeting -

Action

- (a) the referral from the Public Complaints Office regarding the proposal of setting up residential care homes for elderly ("RCHEs") with hearing impairment and fostering healthcare personnel and care workers to learn sign language; and
- (b) the referral from the Public Complaints Office regarding the monitoring of non-governmental organisations ("NGOs") in the use of subventions.

III. Items for discussion at the next meeting

[LC Paper Nos. CB(2)2269/11-12(01) to (02)]

3. The Chairman said that in anticipation of the continuation of the Council meeting of 4 July 2011, the next regular meeting originally scheduled for 9 July 2012 was proposed to be rescheduled for 10 July 2012 at 8:30 am. Members agreed.

4. Members further agreed to discuss the following items proposed by the Administration at the next meeting -

- (a) Services to support families at-risk; and
- (b) Residential care services for the elderly.

5. Mr LEUNG Yiu-chung suggested that the Panel should discuss the provision and promotion of sign language at the next meeting. Members agreed that the subject be added to the agenda of the next meeting.

IV. Progress of the implementation of recommendations of the Lump Sum Grant Independent Review Committee

[LC Paper Nos. CB(2)2269/11-12(03) to (04)]

6. Director of Social Welfare ("DSW") briefed members on the latest implementation progress of the 36 recommendations made by the Lump Sum Grant Independent Review Committee ("LSGIRC") to enhance the Lump Sum Grant Subvention System ("LSGSS") and respond to concerns of the welfare sector, in particular the production of a Best Practice Manual ("BPM"), provision of actuarial services, and establishment of the \$1 billion Social Welfare Development Fund ("SWDF").

Action

Financial and staffing arrangement

7. Mr LEE Cheuk-yan commented that with the implementation of 36 recommendations made by LSGIRC, the problems in the welfare sector remained unresolved. He expressed strong disappointment at excess reserves being kept by individual NGOs but most social workers in these NGOs were offered low paid and time-limited contracts. This had resulted in job insecurity and low staff morale. Mr LEE asked about the latest level of reserves kept by subvented NGOs and the accumulated reserves for non-Snapshot Staff on Provident Fund ("PF") contributions. Mr LEE pointed out that the provisions for non-Snapshot Staff on PF contributions were calculated based on the mid-point salary of Snapshot Staff, but the number of non-Snapshot Staff had been decreasing over the years owing to natural wastage and the vacancies were filled by time-limited contract staff, and thereby reserves for the PF provisions were accumulated. In his view, such reserves should be used for improving the employment terms of NGO staff.

8. DSW said that under LSGSS, NGO management was provided with the flexibility in terms of financial and human resource management. That said, the level of reserves kept by NGOs had all along been capped at 25% of NGOs' operating expenditure and any unused subventions above the cap would be clawed back in the following financial year. In 2010-2011, the level of reserves kept by NGOs had amounted to \$2.534 billion. In addition, NGOs should fully deploy the PF provisions and reserves for non-Snapshot Staff on PF contributions, which amounted to \$435 million, for the specific purpose. DSW added that, to address the concerns of the stakeholders, as recommended by LSGIRC, the Lump Sum Grant Steering Committee ("LSGSC") had been working with the sector to draw up a BPM for NGOs on various management issues covering human resources policies, financial accountability and corporate governance, etc. A consultancy study for the production of BPM was underway and would be completed by the end of 2012. Recommendations for BPM would be worked out for further consultation with the sector.

9. Mr LEE Cheuk-yan, Mr IP Wai-ming, Mr Alan LEONG and Mr LEUNG Kwok-hung expressed concern that some NGOs had not made corresponding salary adjustments for their staff after receiving the supplementary provision in line with civil service salary adjustments. Some NGOs had used the additional funding provided in line with civil service salary adjustments for purposes other than salary adjustments. These members pointed out that the grave concerns of the welfare sector about unfair pay for equal work and job security had inevitably affected staff morale and undermined the service quality. Mr Alan LEONG

Action

appealed to the Administration to impose a clear condition on the exclusive use of the additional funding provided in line with the civil service pay adjustments for the increase of salary for NGO staff. Mr LEUNG Kwok-hung shared the view and said that the Government should monitor the proper use of funding of NGOs with a view to offering reasonable salary package to the frontline staff so as to raise staff morale and improve service quality. Mr IP Wai-ming asked whether and how the Administration would handle complaints in relation to the alleged misuse of additional funding provided in line with civil service salary adjustments for other purposes.

10. DSW said that the salary structures of NGO staff had been delinked from the civil service. It was not necessary for NGOs to model on the civil service in devising the employment terms. Nonetheless, the additional funding provided in line with civil service salary adjustments was meant for pay adjustment for subvented staff. The Social Welfare Department ("SWD") had reminded subvented NGOs in writing to use the additional funding solely on staff in subvented services, and NGOs had responded positively.

11. DSW further said that as explained earlier, to respond to the concerns of the welfare sector, LSGSC would work with the sector to draw up a BPM for NGOs covering various management issues, including human resources policies, financial management and corporate governance and accountability, etc. DSW added that additional funding provided in line with the civil service pay adjustment was calculated based on the recognised establishment of NGOs when LSGSS was introduced. SWD would monitor through subvention inspection on whether the subvention was spent on recognised activities under the ambit of the Funding and Service Agreements.

12. Mr LEE Chuek-yan said that to his knowledge, some 59% of staff in subvented NGOs were employed on time-limited contracts, and their pay levels were rather low. Mr LEE asked about the number of time-limited contract staff in subvented NGOs and called upon the Administration to address the problems of high turnover rates and low staff morale in the welfare sector.

13. DSW said that while the Administration had not kept statistics on contract staff of NGOs, the number of Snapshot Staff of subvented NGOs was 10 047 as at 31 March 2011. Assistant Director of Social Welfare (Subventions) added that the number of Snapshot Staff on the recognised establishment of NGOs was some 22 000 as at 1 April 2000 when LSGSS was introduced.

Action

14. DSW further said that in pursuance of LSGIRC's recommendations, SWD established the \$1 billion SWDF to, among others, provide NGO staff with more professional training and leave relief for staff attending training, with a view to boosting staff morale, enhancing management capacity and improving overall service delivery.

15. Pointing out that remuneration package was a major issue of concern raised by NGO staff, Mr IP Wai-ming asked if the Administration would consider allocating the subventions under two separate votes, i.e. personnel emoluments and other charges.

16. DSW said that in line with the spirit of LSGSS, subvented NGOs had flexibility in determining their own staffing structures and remuneration levels in deploying their subventions for staff expenses and other expenditure items. It was noteworthy that provisions for personnel emoluments represented a substantial portion of the total subventions.

17. Mr TAM Yiu-chung enquired if the Administration had revised the recurrent subvention baseline allocation for NGOs since the inception of LSGSS in 2000. He pointed out that the welfare sector had time and again highlighted the problems of inadequate resources to resolve the problems of high staff turnover rates, low salaries and increasing administrative work of NGO staff, which had affected adversely the service standards.

18. DSW responded that no substantial revision had been made to the recurrent subvention baseline allocation for NGOs in the past years. Instead, the Administration had been providing additional resources for NGOs through different channels. For instance, the provision of a Special One-off Grant to NGOs had enabled the NGO management to make the necessary adjustments to meet their financial and/or staff commitments. This apart, the Administration had implemented interim facilitating measures to ease the financial difficulties faced by NGOs. DSW added that as recommended by LSGIRC, the establishment of SWDF would cover the costs of workers to relieve staff who went on training, and thereby support training and enhance skills of frontline social workers as well as enhance the service delivery. In addition, additional resources amounting to \$278 million from the Lotteries Fund ("LF") were provided for NGOs to employ paramedical staff or hire their services for three years from 2009-2010 to 2011-2012. An additional \$344 million had been sought from LF for the NGOs concerned from 2012-2013 to 2014-2015.

Action

Provision of actuarial service

19. Mr IP Wai-ming enquired why only one NGO had participated in the first round of the pilot actuarial study and to what extent the actuarial service could help the NGO concerned meet Snapshot Staff commitments. Mr IP further asked about the response of NGOs to the invitation for the second round pilot of actuarial study. Mr Alan LEONG raised similar concerns.

20. DSW advised that the actuarial service was rolled out for NGOs to assess their ability to meet Snapshot Staff commitments on a voluntary basis. One NGO had participated in the first round of the pilot actuarial study. Upon completion of the study in August 2011, a report which summarised the pilot exercise and other materials were made available for the sector's reference. The NGO concerned received a separate report which provided actuarial opinions and recommendations on its financial viability. DSW further advised that in view of the positive experience of the first-round study, SWD invited the remaining NGOs to participate in the second round pilot actuarial study in October 2011. A consultant would be commissioned to commence the study by the end of 2012. Once the second-round study was completed, SWD would consider the way forward on actuarial service for NGOs having regard to the experience gained.

Corporate governance

21. Mr CHAN Kam-lam said that since the inception of LSGSS in 2000, the stakeholders had from time to time raised concerns about the funding system of LSGSS and corporate governance of subvented NGOs. Pointing out that NGO staff remained concerned about the effectiveness of the recommendations of LSGIRC in addressing the problems in the welfare sector, Mr CHAN asked whether the Administration would consider conducting an overhaul of the system. Mr CHAN further asked whether the Administration would put in place any mechanism to monitor the operation of and use of funding by subvented NGOs.

22. DSW said that the Administration agreed with LSGIRC that LSGSS was worth retaining, and every effort would be made to improve it. The Administration would take forward all the recommendations in concert with the welfare sector. DSW further said that under LSGSS, the NGO management was provided with the flexibility in terms of financial and human resource management. Notwithstanding this, the Administration noted the concerns raised by NGO staff about the corporate governance and management of NGOs, and as recommended by LSGIRC, a BPM for

Action

NGOs covering various management issues, including human resources policies, financial accountability and corporate governance would be developed by the welfare sector, with professional input from management experts as necessary. Moreover, the establishment of SWDF would support training and professional development for NGOs including their board members and senior management. DSW added that since the inception of LSGSS, the monitoring of NGOs had shifted from input control to output and outcome monitoring. In addition, subvented NGOs were required to submit annual financial reports to SWD in accordance with the relevant Funding and Service Agreements.

Other concerns

23. The Chairman said that he personally objected to the implementation of LSGSS as the system per se was ineffective in addressing the problems of the welfare sector. To enable members to evaluate the effectiveness of the various recommendations of LSGIRC in bringing about improvements to the system, the Chairman requested the Administration to consider the following -

Admin

- (a) *Recommendation 1:* providing the Panel with a copy of the consultant's research report and relevant recommendations for BPM;
- (b) *Recommendation 2:* whether it would examine why only one NGO had indicated interest in participating the first and second round of the pilot actuarial study respectively, if so, what the reasons were;
- (c) *Recommendation 3:* providing information on the respective proportion of NGOs on LSG which had spent the additional funding provided in line with civil service salary adjustments solely on staff in subvented services and which had not made use of the additional provision for the intended purpose, as well as the proportion of NGOs had made back pay to the staff concerned;
- (d) *Recommendation 4:* collecting information as to whether NGOs had factored in pay adjustments when budgeting for non-subvented services, such that they might be in a better position to meet staff expectations when subvented services received additional funds for pay adjustments;

Action

- (e) *Recommendation 5*: collecting data on staff turnover and wastage rates of social workers, paramedical staff and general grade staff of the welfare sector, in order to better project and plan for the manpower supply of the sector;
- (f) *Recommendation 7*: reverting to the Panel in the next term on the review progress of the enhanced mechanism to consult the welfare sector and stakeholders for future planning and priorities of welfare services in response to the changing service needs;
- (g) *Recommendation 8*: providing the implementation progress of the improvement measures to allow NGOs to advance the subventions for other charges; and
- (h) *Recommendation 11*: providing information on the respective numbers of NGOs which had fully deployed the standard 6.8% PF provisions for NGOs to meet the contractual commitment, and those which had only made 5% contribution for mandatory PF for non-Snapshot Staff and kept the difference as reserves.

24. The Chairman said that owing to time constraints, he would put forward his supplementary views on other recommendations of LSGIRC for the Administration's consideration and response after the meeting.

V. Long-term social welfare planning

[LC Paper Nos. CB(2)2269/11-12(05) to (06), CB(2)2322/11-12(01) and CB(2)2342/11-12(01) to (02)]

25. Secretary for Labour and Welfare ("SLW") briefed members on the Administration's response to the report of the Social Welfare Advisory Committee ("SWAC") entitled "Long-term Social Welfare Planning in Hong Kong" ("the SWAC Report") released in July 2011. SLW said that the Administration agreed with and had accepted the various recommendations as set out in the SWAC Report. The guiding principles and strategic directions as recommended by SWAC had provided a directional basis and framework for the social welfare service development and long-term welfare planning in Hong Kong. SLW further said that the Administration had implemented the proposed planning mechanism and emphasised that specific services and initiatives as well as their priorities were not short-term in nature or to be implemented for one year only. Rather, the services and initiatives were designed for long-term

Action

implementation on an ongoing basis that usually involved recurrent provision and resources. SLW added that as part of the planning process, the working meetings between SWD and the Hong Kong Council of Social Service ("HKCSS") with its member organisations in June would continue to be held to facilitate discussion and exchanges on the priorities of welfare services for the coming year, and this year's meeting would be held on 19 June 2012.

26. SLW stressed that the Administration had all along been investing heavily in the development and provision of social welfare services, with sustained growth in expenditure. Notably, the recurrent expenditure for social welfare services rose from \$34 billion in 2007-2008 to \$44 billion in 2012-2013, representing an increase of about 30%. The existing recurrent expenditure for various aspects of welfare services accounted for 16.7% of the total Government Recurrent Expenditure, ranking third among various policy areas.

27. Mr TAM Yiu-chung considered that in the light of an ageing population and rising inflation, the provision of social welfare services remained inadequate to meet the service needs or was unable to alleviate the hardship of the needy persons, despite the Administration had been increasing the recurrent expenditure on social welfare services. In his view, the Government should make a blueprint for the long-term development of social welfare. He urged the Administration to consider reinstating the "Five-Year Plan" mechanism for better projection of service demand and long-term planning of social welfare services.

28. SLW reiterated that under the planning mechanism recommended by SWAC, the proposed initiatives and pilot schemes did not mean that they were short-term in nature or to be implemented for one year only. SLW drew members' attention to the fact that before 1999, the Government had adopted a "Five-Year Plan" mechanism for planning social welfare services, but experiences indicated that the mechanism lacked flexibility in terms of target-setting for, and monitoring of, service provision in responding to the rapid changing socio-economic circumstances. A more flexible approach for social welfare planning had since 1999 been adopted instead. SLW further said that the Administration fully understood the different needs of welfare services and had been introducing new initiatives to cope with the demand. For instance, the Administration had bid for additional resources and adopted various measures to increase the supply and enhance the service quality of subsidised residential care services, such as development of new contract homes and increasing the number of purchased places under the Enhanced Bought Place Scheme. However, it was noteworthy that some service users could not be provided with immediate services due

Action

to various reasons. The waitlisting situation for subsidised residential care services was sometimes due to the applicants' preferences for specific districts and/ or homes.

29. Mr Frederick FUNG pointed out that the Chief Executive had undertaken in his Election Manifesto in 2007 to study the long-term social welfare development plan for Hong Kong through SWAC. Now that the tenure of the current Government would soon expire, he was disappointed that the Government had not yet drawn up concrete action plan for the long-term social welfare development to meet the challenges of an ageing population. In his view, it was incumbent upon the Administration to project the service demand for individual service areas and map out concrete measures to meet the specific service needs. For instance, in the light of an ageing population, the Administration should identify and earmark suitable sites for setting up new RCHEs during the planning and development stage. Sharing similar views, Mr LEUNG Kwok-hung expressed strong dissatisfaction at the Administration's lack of targets for increasing the provision and reducing the waitlisting situation of individual welfare service areas, such as residential care services, rehabilitation services and support services for the disadvantaged.

30. On the elderly care services, SLW advised that the Administration had been committed to increasing the provision of subsidised residential services and community care services. To help elders who had long-term care needs age in place, the Administration had put in place various initiatives to enhance community care services, such as rolling out the pilot scheme on community care service voucher for the elderly. From now to 2014-2015, 1 700 subsidised RCHE places would come into service. SWD had earmarked sites in 10 development projects for the construction of new RCHEs. SWD had since March 2011 implemented a three-year Pilot Scheme on Home Care Services for Frail Elders to provide more comprehensive home care services for elders on the waiting list of nursing home places. In regard to services for persons with disabilities, SLW advised that a total of 627 additional residential care places would come on stream in 2012-2013. The Administration had also earmarked future development sites for the construction of about 746 new places for residential care services in the coming four years from 2013-2014 to 2016-2017. Following the launch of the pilot Bought Place Scheme for Private Residential Care Homes for Persons with Disabilities in October 2010, about 300 places would be purchased by phases by 2014. In addition, a three-year pilot scheme had been launched to provide home care services for persons with severe physical and intellectual disabilities on the waiting list for subsidised residential care places.

Action

31. Referring to the submission from HKCSS tabled at the meeting, Mr LEE Cheuk-yan noted with concern that HKCSS had expressed disappointment at the Administration's failure to formulate a concrete and forward looking blueprint as well as demonstrate its commitment for the long-term development of social welfare planning.

32. SLW noticed that some stakeholders expected the resumption of a planning mechanism similar to the "Five-year Plan". As explained earlier, the Administration was of the view that the "Five-year Plan" mechanism lacked flexibility and was unable to respond to the welfare needs in a timely manner. He emphasised that under the enhanced planning mechanism, the Administration would consult the stakeholders and plan for the future focus and priorities of welfare services in response to the latest social circumstances on an ongoing and regular (i.e. annual) basis. SLW reiterated that the Administration had been committed and investing heavily in the development and provision of social welfare services, as demonstrated from the continuous increase in the recurrent expenditure for welfare services. Specifically, the Administration had introduced a number of new initiatives in recent years to meet the specific service demand, including the Guangdong Scheme, Integrated Community Centres for Mental Wellness ("ICCMWs"), Integrated Discharge Support Programme for Elderly Patients, and the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities.

33. Mr IP Wai-ming maintained the view that the resumption of the "Five-Year Plan" mechanism did not mean that it would be inflexible to respond to changing welfare needs in a timely manner. In the absence of a mission and concrete targets for future welfare service development, the Government only rolled out short-term and remedial measures to address service needs, which could by no means cope with the challenges faced by the welfare sector or assess the effectiveness of the performance of individual service areas.

34. SLW disagreed with members' remarks that the Government had failed to map out a long-term welfare service development plan. He stressed that the Government had been committed to addressing the changing welfare needs of the community flexibly through the introduction of new and enhanced initiatives. For instance, having regard to the increasing number of elders retiring on the Mainland, the Guangdong Scheme was launched to provide Old Age Allowance for eligible elderly people who chose to reside in Guangdong, and the permissible limit of absence from Hong Kong for Old Age Allowance recipients had also been relaxed from 240 to 305 days.

Action

35. The Chairman took the view that while the Administration had introduced a number of new initiatives to meet different service needs, the provision of individual welfare services was far from adequate to meet the service demand. This was due to lack of overall planning and clear targets on service provision to meet the specific service needs. For instance, the set-up of ICCMWs and the District Support Centres for persons with disabilities could be expedited if the Administration had earmarked all suitable sites/premises for the purpose during the process of welfare planning. The Chairman strongly urged the Administration to plan and project the service needs and manpower requirement of different service areas in the coming five to 10 years, such that the sector could respond to the future welfare needs in a timely manner.

36. Noting that SWD and HKCSS would hold a working meeting in June 2012, Mr LEE Cheuk-yan wondered whether the Administration would take the opportunity to gauge the views of the stakeholders for future welfare planning.

37. DSW said that as part of the planning process, the working meetings between SWD and HKCSS with its member organisations would facilitate discussion and exchanges on the priorities of welfare services for the coming year. The Administration would maintain close collaboration with various stakeholders in facilitating the sustainable development of welfare policies and services in Hong Kong. The enhanced planning mechanism would facilitate the Administration to collect views from stakeholders at the district and central levels as well as advisory committees. It would also enable the Administration to consult and plan for the future focus and priorities of welfare services in response to the latest social circumstances on an ongoing and regular basis.

VI. Any other business

38. There being no other business, the meeting ended at 12:50 pm.