

**Proposal on Establishing  
Social Welfare Services Development Fund**

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*Rationales*

1. Social Service Needs Vs Economic Growth

Generally speaking, the demand for social welfare services will be slowed down in times of economic prosperity. On the contrary, service needs will increase rapidly in economic depression. The increase in welfare spending can help satisfying the basic needs of the grass-roots as well as reducing the adverse effect of weak consuming power resulted from a slowdown in economic growth. However, one of the budget control principles adopted by the HKSAR Government is to link up the increase in expenditure with economic growth. When facing economic crisis and rapid increase of service needs, the Government cannot allocate more resources to cope with the situation due to restricted increase in expenditure. As a result, the service provision is unable to meet the demand, defeating its function to provide protection for people's livelihood and stabilizing effect during economic instability.

2. Insecure Government Resource Allocation

For each year, resources allocated by the Government to social welfare are unstable. In 1997-98, the figure was \$0.8 billion whereas in 1998-99, the figure is slightly adjusted to \$2 billion. Besides economic instability, government's resource allocation system also causes difficulties and discrepancies on social welfare development and manpower planning.

3. White Papers on Social Welfare are Simply Papers

Over the years, one common point can be found in all white papers on social welfare is that all planned projects can only be implemented "if resources are available." As a result, most projects are unable to be implemented due to resource constraint. One of the most obvious examples is the improvement of medical social service. In 1979, the Government stated that the social worker and patient bed ratio should be 1:90. But now, only 70% of the agreed staffing is provided, not to mention the need for improvement of the staffing ratio.

4. The Government's Refusal to Formulate Targets on Service Development

In recent years' discussion, the Government has revealed its reluctance to formulate development targets for different services. The excuse was that it was not "realistic" to formulate service targets as resource allocation was insecure. Thus, only vague "direction" in service development was formulated and it was stated that "service improvements are possible if resources are available." Family casework is one of the most obvious examples. In the White Paper on "Social Welfare into the 1990s and Beyond", it was only stated that "A planning ratio of one centre (family service centre) for every 150,000 of the general population is adopted.....However, in light of changing needs and expectations, there may be a case for revising this formula." Social workers in the sector have a consensus that the case-load of a family case worker should be reduced from the existing 73 cases to 50 cases. Although the Government also agrees to this target, it is reluctant to state it clearly in policy paper as well as to confirm the need to revise the ratio.

5. The Rapid Increase in CSSA Cases Affects the Resource Allocated for Social Welfare Development

The current number of CSSA cases is about three times more than that of early 1990. In the past two years, there have been a 20 per cent increase in CSSA cases. In 1997-98, \$7.7 billion of public spending is allocated for social security allowance. However, the Government recently appealed to the Provisional Legislature for additional allocation of 1.8 billion, pointing to underestimation of 25 per cent. The expenditure for social security allowance in 1996-97 was \$7.1 billion. In comparison, the figure for 1997-98 has experienced a 33 per cent increase. Since the increase in CSSA alone has contributed to a drastic increase in welfare spending, an increase in resources allocated to services will have to face political pressure and restriction in government expenditure allocation. Simply speaking, the rapid increase in CSSA cases is a great burden on government expenditure and seriously affects the deployment of resources for social welfare services. With the Government's injection of \$2.3 billion to the Lotteries Fund in 1993, the increase in CSSA during 1993-97 had no adverse effects on development of services. However, as the injection was used up after April 1, 1997, the adverse effects are revealed in Budget for 1997-98 and resource allocation in 1998-99.

6. The Weakening of Supportive and Preventive Social Welfare Services

CSSA is a kind of remedial social welfare while the other welfare services are mainly of supportive and preventive nature. Family casework, medical social work service, most community services for senior citizens as well as many rehabilitation services are some examples of supportive services. Outreaching service for young people and for senior citizens as well as social networking are of preventive nature. Social welfare services should have balanced development in remedial, preventive, supportive and developmental functions. If the emphasis is placed on remedial services such as CSSA and other service needs are left behind, the number of social, family and personal problems will increase as a result of the weakening of the supportive and preventive functions of social welfare. In this case, the demand for remedial services will also increase and it will eventually cause the rise of welfare spending. Family casework is a good example. The service helps to improve marital relationship and parent-child relationship. If the development of family service is unable to cater for the rapid increase in social and personal problems, there will be a rise in the number of broken families, and demand for remedial services such as CSSA are inevitable.

7. Mismatch Between Manpower Planning and Service Development

Recently, one of the hot issues in the welfare sector is the employment difficulties of social work graduates, which is resulted from the mismatch of manpower planning and service development in recent decades. 1984, the Government announced a zero growth rate policy in civil service enrollment. Social work diploma graduates found it difficult to get a job and the enrollment of social work degree candidates was also affected. Thus, three to four years later, when the Government was able to allocate more resources for service provision, social welfare manpower was extremely inadequate, with a serious shortfall. The Government was forced to recruit those non-social work trained degree graduates to fill up social work posts. At the same time, the Government attempted to push the universities to admit more social work students. However, in 1991 and 1992, the resources for social welfare was contracted because of the "Rose Garden" Project. Social work graduates again had to face employment difficulties. Later in 1993, the Government injected \$2.3 billion to the Lotteries Fund which provided resources for a certain portion of social welfare services to be implemented during the four fiscal years from 1993 to 1997. Although the manpower during these years was slightly more than enough, service development was rather stable. However, after April 1997, the same problem happened again. A large number of social work graduates were unable to get social

work jobs. This is one of the results of lacking stable resources in developing social welfare services.

***Recommendations on Injection to the Fund***

1. To compensate for the past years' shortfall and inadequacy of social welfare services as well as to cope with the increase of service needs in the coming years, the Government should formulate five-year service development targets. We recommend the Government to establish a Social Welfare Services Development Fund and inject \$3.4 billion into the Fund (please refer to the Appendix on Resource Calculation) in order to ensure stable welfare service development.
2. The recommended figure is only a rough and conservative estimation, for there is still serious shortfall in many existing services. For example, over 20,000 people are on the central waiting list for care and attention places. The number of ex-mentally ill persons queuing for half-way house places or long-term care and attention places is many times more than the number of the places offered. All these examples show that many service planning standards are out-dated. Some service standards, such as that of the medical social work service, have not been revised for many years. They should be revised as soon as possible. In addition, because of inflexibility in short-term manpower provision, it is difficult to improve the case-load of family case workers to a reasonable level within a short period, i.e. 1:50. The ratio can only be improved to 1:60. Therefore, the five-year service development targets have to be reviewed regularly.
3. As societal changes, social and personal problems are becoming more complicated and service needs vary from time to time. On the other hand, service quality should always be improved. The working approaches should also be modified to cope with new challenges. Should the above-mentioned recommendations be adopted, including fully subventing the social centres for the elderly and multi-service centres for the elderly in phases and improvement to central administration, the Community Chest will then be able to release the burden of supporting these services, enhancing its ability to support pilot projects. Having the Social Welfare Services Development Fund, together with the Lotteries Fund as well as the deployment of government resources when necessary, we will be able to cope with service changes and needs for improvement.

***Recommendations on Implementation***

1. In the deployment of resources, the Government should consult the Legislature, the welfare sector and the Social Welfare Advisory Committee for setting priorities in service development.
2. The service development programme should be vetted by the Subvention and Lotteries Fund Advisory Committee.
3. For services supported by the Social Welfare Services Development Fund, they should be absorbed into recurrent government expenditure in the following year. (Remarks: the injection of \$3.4 billion will be divided for use in five years. The average figure for each year is \$5.76 billion including inflation. The figure is only amounted to 0.34 per cent of the recurrent government expenditure of \$170 billion.)
4. In order to secure a stable development in welfare services, the Government should formulate another five-year development targets three years after the injection and inject necessary funding in the fifth year.

## **APPENDIX: CALCULATION OF RESOURCES REQUIRED**

### **Calculation basis**

1. The items listed below are all standards/ratios agreed by the Government in the past years, excepting school social worker ratio for which the community has consensus of 1 social worker serving 1 school; however the Government up to date committed such ratio to band 5 schools only. All other schools are retaining ratio of 1 worker serving 2000 students.
2. Data sources mainly come from the Five Year Plan for Social Welfare Development, supplemented by 1997-1998 Financial Budget and Progress Report on 1997 Policy Address.
3. Where planning for services are population-based, the recent population projections of Census & Statistics Department have been used to adjusted the demand figures.

	Planning standard	1997-1998			2002-2003			Resources required (\$M)	Remarks
		Demand	Present provisions	Shortfall	Demand	Additional demand	Per unit (\$M)		
Family casework	1:65 cases	845	706	139	1545	839	0.48	402.72	SWD's annual increase 14%, NGO 8.5% (SWD's statistics), each worker unit includes 5% PF and 1/8 SWO.
Improved family casework	1:60				1674	129	0.48	61.92	The agreed ratio should be 1:50, but if this is to be implemented in coming 5 years, supply of social workers will not be able to meet the demand. Therefore only improved ratio of 1:60 is recommended.
Family life education	1:50,000 population	130	79	51	141	62	0.48	29.76	Increase of general population by 8.5% (C & SD's statistics)
Medical social service	1979 standards	527	333	194	572	239	0.48	114.72	Increase of general population by 8.5% (C & SD's statistics)
Home Help team	1997 Progress Report	137	129	8	303	174	1.8	313.20	Based on increase of 16.6% caseload in past 5 years.
Family aide	1:600 family cases	77	52	25	167	115	0.14	16.10	Reference to increase in family cases
Clinical psychologist (CP)	1 CP:1356 family cases	65	41	24	99	58	0.61	35.38	Service also covers children & youth, rehabilitation & other services, and resource includes 1/8 senior CP.
Aided day nursery places	1:200 population	29724	28303	1421	30553	2250	0.02	45.00	
Supervisor for day nurseries								4.41	Endorsed by SWAC 1990
Assistant Supervisor for day nurseries								0.31	Endorsed by SWAC 1990
Assistant Supervisor for day creches								0.38	Endorsed by SWAC 1990

	Planning standard	1997 - 1998			2002 - 2003			Resources required (\$M)	Remarks
		Demand	Present provisions	Shortfall	Demand	Additional demand	Per unit (\$M)		
Foster care		600	600	0	660	60	0.11	6.60	
Small group home		1875	1875	0	1915	40	0.13	5.20	
School social work	1:1000 students	449	272	177	449	177	0.48	84.96	Community consensus
Outreaching social work teams (OSW)	1:50,000 population	36	33	3	46	13	3.89	50.57	Annual addition of 2 teams, upon periodic review endorsed by SWAC 1995
Improved supervisor for OSW	1:2 teams	18	11	7	23	12	0.64	7.68	Endorsed by SWAC 1990
Upgrade 2 SWA posts to SSWA posts in OSW teams		72	0	72	92	92	0.13	11.96	Endorsed by SWAC 1990
Improved staffing for C&Y centres	Add WW & CA							48.14	Agreed by SWD 1984
C & A places for elderly	17:1000 elderly	11142	10158	984	13134	2976	0.08	238.08	
Places in homes for elderly	15:1000 elderly	9831	8094	1737	11589	3495	0.04	139.80	
Social worker for C & A home & combined home for elderly	1 SWA for each home	54	0	54	60	60	0.27	16.20	Endorsed by SWAC 1987
Supervisor for elderly homes	1 SWO: 5 homes	17	12.75	4.25	19	6.25	0.64	4.00	Increase of elderly population to 11.4%
CA for multi-service centres for elderly		39	5	34	45	40	0.14	5.60	1989 Five Year Plan Review
Multi-service centres for elderly (M/E)	1:17000 elderly	39	29	10	45	16	2.5	40.00	Acc. to existing subvention level: 80% for social recreational component and 85% for other components
Full subvention for M/E		39	30%/85%	20%/15%	45	20%/15%	0.54	24.30	
Day care centre for elderly (D/E)	1:17000 elderly	39	28	11	45	17	2.41	40.97	



	Planning standard	1997 - 1998			2002 - 2003			Resources required (\$M)	Remarks
		Demand	Present provisions	Shortfall	Demand	Additional demand	Per unit (\$M)		
Supervisor for D/E	1:5 centres	6.4	0	6.4	7	7	0.64	4.48	Increase of elderly population to 11.4%
Social centre for elderly (S/E)	1:2000 elderly	328	265	63	386	121	0.79	95.59	Acc. to existing subvention level: 80%
Full subvention for S/E		328	80%	20%	386	20%	0.16	61.76	
Shelter workshop		8215	6355	1860	10055	3700	0.04	148.00	Demand for service has already taken into account no. of discharges
Day activity centre		3391	3426	-35	3771	345	0.07	24.15	Demand for service has already taken into account no. of discharges
Half way house		1921	1217	704	1844	627	0.09	56.43	Demand for service has already taken into account no. of discharges
Hostel for moderate MH		2006	1494	512	2171	617	0.09	60.93	Demand for service has already taken into account no. of discharges
Hostel for severe MH		3173	2583	590	3661	1078	0.09	97.02	Demand for service has already taken into account no. of discharges
Hostel for PH		375	406	-31	464	58	0.09	5.22	Demand for service has already taken into account no. of discharges
Long-stay care home		1068	570	498	1497	927	0.09	83.43	
Home for aged blind		478	426	52	647	221	0.09	19.89	
C & A home for aged blind		758	699	59	846	147	0.09	13.23	
Improved manning ratio of physio-therapists & occupational therapists for elderly services								57.20	Recommendation of HWB Working Group on Allied Health Personnel

	Planning standard	1997 - 1998			2002 - 2003			Resources required (\$M)	Remarks
		Demand	Present provisions	Shortfall	Demand	Additional demand	Per unit (\$M)		
Provision of Workman II for NLCDPs								1.25	1993 Five Year Plan Review
Improved allied health personnel for rehabilitation services								300.00	Recommendation of HWB Working Group on Allied Health Personnel
Provision of agreed staffing for rehabilitation services								60.00	Agreed standards in the past years
Improved staffing for pre-school services								7.08	Agreed standards in the past years
Additional resource for social & recreational centres for disabled								0.58	1995 White Paper on Rehabilitation
Sign language interpreter								0.25	1995 Five Year Plan Review
Improved support for central administration								26.00	Acc. to 1994 agreed standard (excluding supervisory staff)
Community rehabilitation network	5 centres	5	5	2	5	2	6.00	12.00	1995 White Paper on Rehabilitation
<b>Total</b>								<b>2870.45</b>	

**Other Remarks**

Items not included in above list are as follows:

1. Mediation service
2. Places in early education & training centres, special child care centres and integrated programme in child care centres: estimated demand for these 3 services and annual discharge rate are still under review.
3. For the 6 nursing homes to be operated between 1997 and 1999, it is assumed the expenditure incurred has already been included in baseline plus.

	<u>Resonrces required (\$M)</u>
If all items are implemented in one year	2,882.45
If to be implemented in 5 years	
Year 1	574.49
Year 2	622.61
Year 3	672.42
Year 4	726.21
Year 5	784.31
<b>Total money to be injected</b>	<b>3,382.04</b>

(assuming annual inflationary rate of 8%)