

立法會
Legislative Council

LC Paper No. CB(2)1895/17-18

(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 14 May 2018, at 8:30 am
in Conference Rooms 1 and 3 of the Legislative Council Complex

Members present : Hon SHIU Ka-chun (Chairman)
Hon KWONG Chun-yu (Deputy Chairman)
Hon LEUNG Yiu-chung
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN

Members absent : Dr Hon Fernando CHEUNG Chiu-hung
Hon Alvin YEUNG
Dr Hon Junius HO Kwan-yiu, JP
Hon LUK Chung-hung

Member attending : Hon Abraham SHEK Lai-him, GBS, JP

Public Officers attending : Items III & IV (Sessions One and Two)

Dr LAW Chi-kwong, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Item III

Mr David LEUNG, JP
Commissioner for Rehabilitation
Labour and Welfare Bureau

Mr KOK Che-leung
Assistant Director (Rehabilitation and Medical Social
Services)
Social Welfare Department

Item IV

Sessions One and Two

Miss Leonia TAI, JP
Deputy Secretary for Labour and Welfare
(Welfare) 1
Labour and Welfare Bureau

Ms Carol YIP, JP
Director of Social Welfare
Social Welfare Department

Mr LAM Ka-tai, JP
Deputy Director of Social Welfare (Services)
Social Welfare Department

Sessions One to Three

Mr Alex WONG
Assistant Director (Subventions)
Social Welfare Department

Session Three

Mr Kenneth CHENG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 1
Labour and Welfare Bureau

**Attendance
by invitation** : Item IV

Session One

The Association of Parents of The Severely Mentally
Handicapped

Mr LEE Chi-yung
Chairman

Mr TAM Wai-yip

The Hong Kong Social Workers' General Union

Mr LUN Chi-wai
會長

社總IEAPS關注組

Ms CHEN Hung-sau
代表

香港基督教服務處

Mr SUEN Lai-sang
總幹事

香港社會工作者總工會幼兒教育關注組

Mr WONG Yuk-hay
成員

Mr MAK Yun-pui, Member of Sha Tin District
Council

香港社會工作者總工會綜合家庭服務關注組

Mr NG Hung-fai
召集人

社總小學輔導關注組

Miss HUI Lai-ming
成員

Miss WONG Tsz-yan

Mr LEUNG Lam-fai

Democratic Alliance for the Betterment and Progress
of Hong Kong

Mr TSOI Shing-hin
Deputy Spokesperson

Evangelical Lutheran Church Social Service - Hong
Kong

Mr LIN Siu-sau
Assistant Chief Executive

Mr LAM Chung-yau

Mr CHAN Kam-cheong

Mr WONG Wai-leong

Mr CHENG Leong-chi

Mrs LAM Chun

Miss Yvonne CHAK Tung-ching

Social Welfare Organization Employees Union

Mr YAU Chi-hang
Chairperson

Mr CHEUNG Kwai-ho

Mr HO Kwun-hei

The Hong Kong Council of Social Service

Ms CHEUNG Lai-wah
Chief Officer

Concern Group of Small Welfare Agencies

Ms LAW Mei-chun
Member

Community and Nursing Care Worker General Union

Mr CHENG Ching-fat
Secretary

St. James' Settlement Staff Club

陳雪汶女士
Social Worker

Non-profit Making Organization Staff Association

Mr TSANG Wai-sen
主席

Session Two

The Civic Party

Mr Sumly CHAN Yuen-sum
Chairman of the New Territories West Branch

The Church of United Brethren in Christ Social
Service Division

Ms WONG Sau-wa
Chief Executive

Ms MAN Suet-yung

Miss WONG Ka-yee

The Federation of Hong Kong & Kowloon Labour
Unions

Mr LAW Man-fai
Senior Secretary

Mr Abdull Ghafar KHAN

Hong Kong Policy Viewers

Mr KUNG Wai-sum
Exco member

Mr TSENG Ka-chun

Mr WONG Kwok-kei

Mrs LUK Hoi-shan

Mr LEUNG Wan-lung

信義會同工LSG關注小組

Mr LEUNG Chun-kit
成員

Ms Daby TAM Kwan-wah

Office of Ng Yuet Lan, District Councillor

Mr Matthew WAN Chung-yin
District Coordinator

Mr YIP Kin-keung

Tuen Mun Community Network

Mr WONG Tan-ching
Convenor

Mr CHAN Hoi-kit

關注LSG石仔組

Mr NG Wai-ming
發言人

Hong Kong Family Welfare Society

Ms Annie LO Ka-lok
Head of Corporate Functions

Mr David CHAN Lap-kei

Reclaiming Social Work Movement

Miss CHAN Shun-yi
Representative

自由黨

曾卓兒女士
黨員

Ms LUK Yat-sum

Mr SZE Wai-hei

Session Three

Mr LEUNG Kwok-hung

Mr KWOK Wai-shing

Mr CHOW Chung-cheung

Mr IP Chi-ho

CIHESSAA

Mr FU Wai-hon
Committee

Miss LAM Kam-lee

Christians To The World

Mr LUI Chi-hang
Social Worker

Mrs CHEUNG Pui-lan

社區發展陣線

Miss CHAN Shuk-ki
成員

江貴生先生, Member of Sham Shui Po District
Council

關注綜援低收入聯盟

李大成先生
成員

爭取低收入家庭保障聯席

李國權先生
成員

低保聯

李風清小姐
成員

Miss CHAN Pui-yi

關注綜援低收入聯盟(LSG小組)

彭樂欣小姐
成員

社區發展陣線(LSG)

吳堃廉先生
成員

關注學童發展權利聯席

陳奕珊小姐
成員

社福同行(LSG小組)

張志權先生
成員

林倩雯小姐

黃穎姿小姐

關注LSG改革小組

何汝瑛小姐
成員

社區前進

賀卓軒先生
成員

天姿作圍

譚婉芬小姐
成員

香港民主民生協進會

李庭豐先生
總幹事

SEN權益會

郭凱盈小姐
成員

社福同行(關注整筆撥款改革)

黃山先生
成員

關注學童發展權利聯盟

何詩慧小姐
成員

Hong Kong Social Workers Association

Miss LEE Mei-sheung
Executive Manager

Miss WONG Ka-yuk

Mr CHOW Yiu-hong

Mr LAM Keung

Dr TING Wai-fong

吳惠娥小姐

Mr YU Chun-yin

Miss CHAN Sin-tung

Miss WONG Shuk-ming

Mr Billy CHAN Shiu-yeung, Member of Sha Tin
District Council

**Clerk in
attendance** : Mr Colin CHUI
Chief Council Secretary (2) 4

**Staff in
attendance** : Ms Catherina YU
Senior Council Secretary (2) 4

Miss Alison HUI
Legislative Assistant (2) 4

I. Information paper(s) issued since the last meeting

[LC Paper No. CB(2)1188/17-18(01)]

Members noted that the letter dated 7 April 2018 from Hon LUK Chung-hung requesting the Panel to discuss policies on portability of welfare benefits for Hong Kong elderly persons residing on the Mainland had been issued since the last meeting.

II. Items for discussion at the next meeting

[LC Paper Nos. CB(2)1364/17-18(01) and (02)]

2. Members agreed to discuss at the next meeting scheduled for 11 June 2018 the following items:

(a) Planning of social welfare services in new public rental housing estates and deprived communities;

(b) Work of the Family Council; and

(c) Community development policy and services.

(Post-meeting note: On the instruction of the Chairman, relevant deputations should be invited to make oral representations to the Panel on item (c) above.)

III. Preliminary framework of a Special Needs Trust

[LC Paper Nos. CB(2)1364/17-18(03) and CB(2)1385/17-18(01) and ISE04/16-17]

3. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the Administration's preliminary thinking on the framework of the proposed Special Needs Trust ("SNT").

Scope of services of and manpower provision for the dedicated Special Needs Trust office

4. In response to Mr POON Siu-ping's enquiry about the creation of a dedicated SNT office and the timing of the establishment of the scope of services of the SNT office, SLW responded that the preliminary scope of services of the SNT office would be established before the SNT office was set up and specific service arrangements would be finalized after it had

been set up.

5. In response to Mr POON Siu-ping's enquiry about the manpower provision for the SNT office, Commissioner for Rehabilitation ("C for R") said that the SNT office had an establishment of over 10 staff members (including social workers, treasury accountant and other supporting staff). The actual number of staff to be deployed to the SNT office would depend on the demand for SNT services and the new posts would be created in a progressive manner. Mr Wilson OR enquired about the specific utilization and distribution of the \$50 million which had been earmarked for setting up the SNT office. SLW responded that the sum was earmarked to cover the costs of the SNT office for the first five years of operation and the staff strength would depend on the actual demand for the SNT service.

Asset requirements for using the Special Needs Trust services

6. Mr POON Siu-ping said that according to some media reports, the minimum amount for opening an SNT account was \$1,800,000, which might be too substantial for some parents. In this connection, he enquired about the basis for determining the minimum asset threshold for opening an SNT account. SLW responded that the working group established by the Labour and Welfare Bureau to examine the feasibility of setting up an SNT ("the Working Group") had not yet decided on the minimum asset threshold for setting up a trust account. The Working Group had, at the consultation sessions with relevant stakeholders, illustrated with examples the estimated amounts of capital required to maintain different levels of living standards for the beneficiaries, which might have been misunderstood as the minimum asset threshold for setting up a trust account. A minimum asset threshold was considered necessary, but it would not be as high as \$1,800,000.

7. The Chairman and the Deputy Chairman said that many deputations worried that asset requirements for SNT would be very stringent. The Chairman said that in Singapore, parents of children with special needs could set up a trust account with a minimum of S\$5,000 (i.e. around HK\$28,000). The Chairman, the Deputy Chairman and Mr LEUNG Yiu-chung asked whether the Administration had any preliminary thinking about the minimum asset threshold for SNT. SLW responded that if the minimum asset threshold was too low, the costs of managing SNT would be high and it would not be cost effective to run SNT. The Working Group would take into account relevant factors in working out the minimum asset threshold and explain it to the parents concerned for their

consideration of their needs of joining SNT.

8. Given that some persons with special needs might have a greater need for the SNT services, Mr LEUNG Yiu-chung enquired whether SNT was targeted at specific groups of persons with special needs. SLW responded that the target users of the SNT service were parents of children with special needs ("the Settlers") who wished to manage their wealth under a trust to ensure the long-term sustainability of the care plan prepared for their children ("the Beneficiaries"), but could not afford the generally high management fees of private trust services which would significantly deplete the assets earmarked for paying their children's living expenses. As such, SNT sought to provide an affordable trust service for these parents. If the assets in a trust account were used up, the Beneficiary would be supported by the social welfare system.

9. Mr LEUNG Che-cheung said that in some overseas places such as Singapore, the utilization of public trust services was low. Given that the long-term living expenses of the Beneficiaries could not be met entirely by SNT, the Administration had to bear some of these expenses. In addition, the creation of the SNT office would also entail some costs. He asked whether the Administration had estimated the aforesaid expenses and costs and compared them with the welfare costs incurred by the persons with special needs whose parents had deceased if SNT was not set up.

10. SLW responded that on the basis of the recommendations made by the Working Group, the Administration had decided to take the lead in setting up SNT, as the Administration considered that it had the responsibility to take care of the welfare needs of persons whose parents had passed away and lacked the ability to manage their financial affairs. The Working Group would strive to ensure the affordability of the service when considering the detailed operational arrangements of SNT while maintaining the original policy objective of ensuring that the assets of the deceased parents would be used for the long-term care for their children with special needs.

11. The Deputy Chairman enquired about whether the management fees would be charged at a percentage of the value of the trust fund and, if so, the estimated percentage. SLW responded that whether the management fee should be charged at a percentage of the value of their assets or at a flat fee would need to be studied. In the former case, Settlers with higher value of assets would bear more of the cost of operating SNT. In the latter case, the management fees would account for a very high proportion of the value of assets if the size of asset was small. In considering the charging

principles, the Working Group would take into account the views collected and the operating costs of the SNT office. The Deputy Chairman was concerned that a high management fee would significantly deplete the trust fund earmarked for paying the Beneficiaries' living or care expenses. He requested the Administration to relay his concern to the Working Group.

12. The Chairman said that some deputations had reflected their concerns about SNT as follows:

- (a) some people wished that the long-term daily needs of their children or spouse with mentally illness could be met by the assets they put in a trust fund. They wondered whether mentally ill persons would be covered by SNT;
- (b) in Canada, the assets of parents with special needs children were managed in the form of a discretionary trust and were not counted towards the assets of their children so that their eligibility for social security assistance would not be affected. The deputations enquired whether SNT would follow suit; and
- (c) whether a case manager would be provided for monitoring the medical needs of a Beneficiary and making recommendations on the Beneficiary's medical care.

13. SLW responded that SNT sought to manage the assets entrusted by parents of children with special needs and use their assets for purposes relating to the long-term care for their children. Trust services for mentally incapacitated persons in some overseas places generally covered persons with intellectual disability, persons with mental illness, autistic persons, etc. The Working Group would further study the types of mentally incapacitated persons to be covered by SNT.

14. SLW said that as the assets of the Settlers would be used for paying the living expenses of the Beneficiaries, the assets could be regarded as an income of the Beneficiaries conceptually. Hence, the relation between the assets of the Settlers and the Comprehensive Social Security Assistance Scheme, which was means-tested would need to be carefully studied. Factors such as whether the Beneficiaries would have any influence on the use of the assets or on the investment gains generated by the trust fund would be taken into account. The Administration had not yet made a decision in this regard. Beneficiaries' eligibility for the Disability

Allowance which was non-means-tested would not be affected.

15. Regarding the suggestion of providing a case manager for a Beneficiary, SLW said that the objective of SNT was to manage the estate of the Settlers in accordance with the provisions in the Settlers' wills and use the estate for implementing the care plan they had prepared for the Beneficiaries. The Director of Social Welfare Incorporated who would act as the Trustee of SNT would have a conflict of role if it also acted as the carer of the Beneficiaries.

16. Whilst supporting the Administration's preliminary framework of SNT, Mr Wilson OR said that there should not be too many eligibility criteria for SNT. Apart from SNT, the Administration should study how the care for persons with special needs who had lost their parents could be strengthened under the existing mechanism. In the light of the tight manpower supply for the welfare sector, he opined that the Administration should consider adopting the concept of case manager for SNT. SLW reiterated that the Director of Social Welfare Incorporated who would act as the Trustee of SNT would have a conflict of role if it also acted as the carer of the Beneficiaries. For persons with special needs who were being taken care of by their relatives, these relatives might apply for guardianship orders for the person concerned. The Administration would provide assistance in this regard if necessary.

Implementation of the Special Needs Trust

17. Mr Wilson OR enquired whether the Administration would brief the Panel after the consultation exercise on SNT had been completed. The Chairman also asked about the timetable for implementing SNT. SLW responded that having regard to the views collected on the minimum asset threshold, the service fee level, the arrangements for injection of funds, etc. the Working Group would examine the implementation details of SNT. The SNT office would be set up and implement the service in end-2018 or early 2019. The Administration would then inform the Panel of the implementation of the SNT service.

IV. Review of the enhancement of the Lump Sum Grant Subvention System

[LC Paper Nos. CB(2)1364/17-18(04) and (05)]

18. At the invitation of the Chairman, SLW briefed members on the progress of the review on the enhancement of the Lump Sum Grant

Subvention System ("LSGSS") ("the review") and sought members' advice on the scope of the review.

Meeting arrangements

19. SLW apologised that he and the Director of Social Welfare ("DSW") were unable to attend the afternoon session of this meeting due to other engagement which had been arranged before he was informed on 9 May 2018 that this meeting would be extended to the afternoon. He said that there would be directorate representatives from LWB and the Social Welfare Department ("SWD") attending the afternoon session of this meeting.

20. Mr CHAN Chi-chuen said that 101 deputations/individuals had indicated their interests to attend this meeting and many of them hoped that SLW and DSW could stay through the entire meeting and listen to their views. He therefore suggested that the Chairman should consider rescheduling the afternoon session of this meeting. SLW responded that when LWB was informed of the extension of this meeting to the afternoon, LWB had proposed to the Chairman to hold another meeting for receiving public views on the review as LWB was unable to reschedule the aforesaid engagement. The Chairman, however, preferred to receive views of the deputations/individuals who had indicated their interest to attend this meeting on the same day. The Chairman said that the Secretariat had informed LWB on 8 May 2018 that this meeting would be extended to the afternoon.

Sessions One and Two

21. The Chairman invited the deputations/individuals to present their views. A total of 51 deputations/individuals expressed their views which were summarized in the **Appendix**.

The Administration's response to views of deputations/individuals

22. Responding to the views expressed by deputations/individuals, SLW made the following points:

- (a) the "Five-Year Plan" mechanism for planning social welfare services had ceased after 1996 and its cessation was not due to the implementation of LSGSS. Notwithstanding the cessation of the "Five-Year Plan" mechanism, the Administration completed a review of the Hong Kong

Rehabilitation Programme Plan ("RPP") in 2007 and commenced the formulation of the Elderly Services Programme Plan ("ESPP") in 2014. The formulation of ESPP was completed in 2017 and the work of formulating a new RPP was underway.

- (b) there was no direct relationship between social welfare service planning and funding allocation/subvention arrangements for non-governmental organizations ("NGOs"). The Administration was willing to discuss with the social welfare sector the planning of social welfare services and the priority of providing such services separately rather than under the review;
- (c) Funding and Service Agreements ("FSAs") were implemented well before the implementation of LSGSS. As such, their formulation had no direct relationship with LSGSS but FSAs had a bearing on the service quality of NGOs. Having regard to the views of the Task Force for Review on Enhancement of Lump Sum Grant Subvention System ("Task Force") and those of some stakeholders, the mechanism for reviewing FSAs had been included in the review. Some other items which did not have direct relationship with LSGSS but had an impact on the service quality of NGOs had also been included in the review;
- (d) new services were commissioned to NGOs mainly through competitive bidding or invitation for proposals. Some NGOs tended to include value added services in their service proposals which might cause unhealthy competition among NGOs. Since allocation of new services through invitation for proposals did not have a bearing on the service fee levels of NGOs, improvements to the mechanism should be studied separately rather than under the review;
- (e) funds which were set up for provision of services relating to education, health, social welfare, etc. had substantially increased since 1997. Assessments of these funding applications were not based on the proposed prices but on whether the services were commensurate with the objectives of the funds;

- (f) if NGOs had used LSG to subsidize non-subvented projects, the resources apportioned to subvented services would be thinned out, thereby affecting the remuneration of their employees. Hence, the problem of cross-subsidization should be addressed;
- (g) the purpose of establishing the scope of the review proposed by the Task Force was to enable focused studies on LSGSS-related issues. As services such as Comprehensive Student Guidance Service, enhanced home and community care services and contract homes for the elderly were not subvented by LSG, they should not be covered by the review; and
- (h) the Administration would continue to explore the feasibility of regularizing pilot programmes launched by the Administration and the Community Care Fund.

Discussion

Subvention benchmark

23. Mr Michael TIEN said that LSGSS had enabled the Government to save money and allowed NGOs to have a greater flexibility in resource deployment. Under LSGSS, recurrent funding was granted in a lump sum and the personal emolument ("PE") portion of the subvention was allocated according to the benchmark which was set at the mid-point salaries of the civil service Master Pay Scales. Some NGOs which required additional funding had used the subvention to organize non-subvented programmes (e.g. team building programmes) targeted at private firms. Given that the fees of these programmes were lower than those offered by the commercial sector, there was a concern about unfair competition as these NGOs which received public funds were competing with small enterprises. The Administration should examine whether NGOs should be allowed to organize such programmes. Even if they were allowed to do so, they should not use the subvention to conduct these programmes and should be required to keep separate account for such programmes. He further said that as there was a great disparity between the pay levels of senior management staff and frontline staff of NGOs, there was a view that LSGSS should be replaced by the conventional subvention system (i.e. reimbursing NGOs for the actual costs incurred in delivery social welfare services). He however took the view that reverting to the conventional subvention system could not solve the problems

brought about by LSGSS. He suggested that the Administration should consider reimbursing NGOs for the actual salary costs and providing them with LSG for other costs incurred in delivering recognized welfare services.

24. In the light of the strong views of many deputations/individuals against the benchmark, Ms YUNG Hoi-yan enquired whether the Administration would consider removing the benchmark from LSGSS and reimbursing NGOs for salary costs on actual basis. Mr LEUNG Che-cheung said that many deputations/individuals had expressed concern that there was a great disparity in the pay levels between staff members at the top and bottom tiers in NGOs. As the salary provision was capped by the benchmark, some NGOs might lower the salaries of the existing staff in order to engage some new staff in providing new services. To address the concern and prevent the problem from worsening, the Administration should consider detaching the funding for salary costs from LSGSS.

25. Mr CHAN Chi-chuen said that some deputations/individuals had reflected that many NGO frontline staff were exploited by and suffered from LSGSS. These deputations/individuals wondered whether the Administration was turning a blind eye to the problems or could not intervene because NGOs were allowed to provide frontline staff with the least amount of resources under LSGSS. He requested the Administration to provide its response in this regard.

26. SLW responded that the implementation of LSGSS did not seek to save money for the Government. Additional funding amounting to \$105 million had been allocated to NGOs when LSGSS was implemented in 2001. Given that NGOs had greater flexibility to deploy resources under LSGSS, some NGOs had made use of the subvention to provide non-subvented services, which gave rise to the concern about cross-subsidization. Cross-subsidization had occurred before the implementation of LSGSS but the issue had caused greater concern nowadays because a large proportion of the funds of some NGOs did not come from the Government. Since PE subvention represented more than 80% of LSG allocated to an NGO, the implementation of LSGSS would in effect be abolished if actual reimbursement basis was adopted for salary costs.

Completion time and scope of the review

27. Mr POON Siu-ping said that many deputations/individuals had reflected that LSGSS had an adverse impact on the salaries and morale of

NGO staff. As a result, NGOs' service quality had deteriorated and service users were affected. He called on the Administration to speed up the work of the review. SLW responded that the Administration would endeavour to complete the review within two years after the scope of the review had been formally established. Some enhancements to LSGSS might be implemented before the completion of the review, if necessary.

28. Noting that the Administration would hire a consultancy firm to assist the Task Force in collecting and analyzing certain data for conducting the review, Mr POON Siu-ping enquired whether the Administration could take up the task instead. SLW responded that as a large amount of data from NGOs would be required for conducting the review, it would be more flexible for a consultancy firm to collect such data.

29. Ms YUNG Hoi-yan said that many concerns of deputations/individuals (e.g. allocation of new services through competitive bidding) had not been included in the scope of the review proposed by the Task Force. In respect of the concern that many small NGOs were not successful in bidding for new services, she asked how the Administration would assist small NGOs in becoming more innovative in filling the service gaps.

30. Mr CHAN Chi-chuen said that many deputations/individuals had called for the abolition of LSGSS because it had caused many severe problems and had an adverse impact on the social welfare sector. Opining that the scope of the review had already been determined by the Task Force which in a way had directed the outcome of the review, he asked whether abolishing the implementation of LSGSS would be one of the possible outcomes of the review. SLW responded that the Administration's stance was that the implementation of LSGSS should not be abolished. The Chairman said that some members of the Task Force took the view that the name of the Task Force (i.e. Task Force for Review on Enhancement of Lump Sum Grant Subvention System) had confined the scope of the review to enhancing LSGSS and suggested that the word "Enhancement of" should be removed from the name of the Task Force.

31. The Chairman said that some deputations had mentioned that according to the report of the Public Accounts Committee ("PAC") on Report No. 69 of the Director of Audit on the Results of Value for Money Audits, one of the reasons for the high turnover rate of NGO frontline staff was that their remunerations were on the low side. As the salaries of social workers employed by NGOs were not comparable to those

employed by government or subvented schools, the Hospital Authority and SWD, many experienced social workers of NGOs had switched to these organizations.

32. SLW responded that in 2016, there were a total of 14 453 social workers and their mobility rate was 15% (involving 2 168 social workers) which was substantial. Of the 2 168 social workers, 518 had retired or left the social welfare sector and in the same year, SWD had only recruited 67 social workers. In other words, more than 90% of these social workers who changed jobs in the social welfare sector remained working in NGOs. Some 20 NGOs had participated in a management consultancy study when LSGSS was implemented. Some of these NGOs had adopted the recommendation of the consultancy study and incorporated staff turnover rate as a service monitoring indicator. These NGOs had maintained the staff turnover rate at below 10%. To reduce the staff turnover rate, NGOs should monitor the salary structure, fringe benefits and job satisfaction of their employees. Given that high staff turnover would affect service quality, the Administration considered it necessary to monitor staff turnover situation in NGOs. As such, staff turnover rate of NGOs would be examined under the review.

Representation of the Task Force

33. The Chairman said that some deputations had expressed concern about inadequate representation of the Task Force and called on the Administration to appoint service users, frontline staff and non-social worker grade staff (e.g. physiotherapists) to the Task Force. SLW responded that given that there were already more than 20 members in the Task Force, enlarging its membership size might affect its efficiency and effectiveness. He therefore had reservation about inviting more people to join the Task Force. Stakeholders could participate in the review by giving their views in different fora. The Task Force would also consider the views of deputations, the Audit Commission and PAC in conducting the review.

34. DSW said that the Task Force comprised Members of the Legislative Council including the Panel Chairman, service users and representatives from NGO staff in order to collect stakeholders' views on enhancement of LSGSS. Sector sharing sessions on each topic proposed under the scope of the review would be conducted before the Task Force's discussion of the topic so that the Task Force could grasp the views of the sector. To increase the transparency of the work progress of the Task Force, the agenda, discussion papers and minutes of the meetings would

all be uploaded onto the SWD's website. NGO staff were welcome to give their views in the sector sharing sessions.

35. In response to the Chairman's enquiry about whether SLW and DSW would accept the invitation of deputations which had petitioned before this meeting to attend meeting(s) held by community groups on the review, SLW said that he and DSW would attend such meeting(s) if time allowed.

Session Three

36. The Chairman invited the deputations/individuals to present their views. A total of 37 deputations/individuals expressed their views which were summarized in the **Appendix**.

Discussion

37. The Chairman said that according to the Administration, the implementation of LSGSS aimed at enhancing service quality, promoting innovation of service delivery, streamlining work procedures and improving flexibility in resource deployment. However, LSGSS had not met these objectives and many deputations/individuals had grave concern about the problems caused by LSGSS. Sharing a similar view, Mr Andrew WAN said that since the implementation of LSGSS, service quality of many NGOs had deteriorated, manpower resources allocated to service delivery had shrunk and public accountability of NGOs had not been improved. Some NGOs had abused the flexibility in resource deployment, resulting in a great disparity in the pay levels between staff at the top and bottom tiers and high staff turnover. As social workers were the core asset of the social welfare sector, NGOs should offer them with reasonable remuneration to maintain their stability and foster an environment for their upward mobility.

38. Mr Andrew WAN said that many deputations/individuals were gravely concerned that LSGSS emphasized cost-effectiveness and many NGOs had achieved cost effectiveness at the expense of service quality. Given that services provided by NGOs also brought about social benefits, he took the view that NGOs' outputs should not be evaluated on the basis of cost saving. In this connection, he asked whether the Administration had the determination to overhaul LSGSS.

39. Mr Wilson OR said that many NGO staff had expressed great dissatisfaction about unequal pay for equal work. Some NGOs had

abused the autonomy given to them under LSGSS and exploited the interests of their frontline staff. The professional qualifications of NGO staff were underplayed, which had given rise to staff turnover problem, thereby affecting interests of service users. Some NGO staff had expressed concern that they had difficulty in changing jobs as their work experience was not recognized. In this connection, he enquired about the short, medium and long-term measures the Administration would take to address the concerns of NGO staff, how these concerns could be addressed by the review and whether SWD would accredit the academic qualifications of NGO staff to facilitate potential employers to consider the qualifications. Mr Andrew WAN also expressed regret that professional qualifications of social workers had been underplayed and the Administration had been paying lip service to the promotion of professionalism of social workers.

40. Ms YUNG Hoi-yan said that it was unfair to NGO staff as the benchmark at mid-point salaries of MPS had affected their pay structures and many of them were underpaid. In deploying resources, NGOs should strike a balance between meeting performance standards and offering reasonable remunerations to employees. She further said that if there was a lack of upward mobility in NGOs, many young people might not be interested in becoming social workers. She hoped that the Administration could give a message to young people that it was worth their while to join the social work sector.

The Administration's response to views of members and deputations/individuals

41. Principal Assistant Secretary for Labour and Welfare (Welfare)¹ made the following points:

- (a) many concerns raised at the meeting (e.g. operating environment of NGOs under LSGSS, staff turnover rate, subvention benchmarks, etc.) had already been included in the scope of the review;
- (b) the feasibility of a regular review mechanism for FSAs would be studied with a view to enhancing the monitoring of service quality of NGOs; and
- (c) the Administration was sincere in conducting the review and the social welfare sector would be involved in the relevant work. Stakeholders' views would be collected through sector

sharing sessions and focus groups throughout the review. The Administration had also invited inputs from the sector on the contents of the questionnaire for collecting information from NGOs.

42. Assistant Director (Subventions) said that the Administration attached great importance to the views of the social welfare sector on LSGSS. Focus groups and sector sharing sessions would be conducted to collect views on each topic proposed under the scope of the review before the Task Force's discussion of the topics.

43. The Chairman said that the Administration should expand the scope of the review having regard to the views of deputations/individuals. He hoped that the review would bring about positive changes to the social welfare sector.

IV. Any other business

44. There being no other business, the meeting ended at 4:24 pm.

Council Business Division 2
Legislative Council Secretariat
27 July 2018

Panel on Welfare Services

Meeting on Monday, 14 May 2018, at 8:30 am

Review of the enhancement of the Lump Sum Grant Subvention System

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation / individual	Views
<u>Session One</u>		
1.	The Association of Parents of The Severely Mentally Handicapped	[LC Paper No. CB(2)1408/17-18(05)]
2.	Mr TAM Wai-yip	[LC Paper No. CB(2)1364/17-18(15)]
3.	The Hong Kong Social Workers' General Union	<ul style="list-style-type: none"> ● Expressed concern about problems of the pay policies and pay scales of the welfare sector, including low level of minimum pay point, salaries of social workers capped at the mid-point salaries and no recognition by new employers of social workers' work experience when they changed jobs. ● The system of service allocation through competitive bidding increased the financial risk of non-governmental organizations ("NGOs") and affected the stability of service provision. ● The Task Force for Review on Enhancement of Lump Sum Grant Subvention System ("the Task Force") should review, without a preconceived position, issues relating to pay structures, staff turnover rate and vacancies, staffing establishment and subvention benchmarks.
4.	社總IEAPS關注組	<ul style="list-style-type: none"> ● Expressed concern that the Administration had a preconceived position on the review of the Lump Sum Grant Subvention System ("LSGSS"). ● Expressed concern that the Task Force was not adequately represented, and

No.	Name of deputation / individual	Views
		<p>issues relating to cross-subsidization would not be covered during the data collection exercise conducted by the Task Force. The Task Force should consult service users, frontline staff and the middle management in collecting data.</p> <ul style="list-style-type: none"> ● The Administration should review staffing establishment and adjust subvention benchmarks, e.g. reimbursing staffing expenses on an actual basis, setting the subvention benchmark at the maximum pay point and increasing the amount of subvention. Besides, pay scales of NGOs should follow the pay scales of the Social Welfare Department ("SWD").
5.	香港基督教服務處	[LC Paper No. CB(2)1408/17-18(04)]
6.	香港社會工作者總工會幼兒教育關注組	<ul style="list-style-type: none"> ● In the light of the inadequate funding for central administrative support under LSGSS, NGOs had to cut the resources for frontline social workers, which affected adjustment of their salaries. ● Given that cross-subsidization of LSG subvention to services which were not required by Funding and Service Agreements ("FSAs") was not allowed, NGOs had to compete funding for implementing short-term pilot projects. In addition, many of these funds did not provide central administrative and rental support. ● Given that the Administration had not undertaken comprehensive social welfare planning for over 18 years, NGOs had to seek resources other than LSG subvention for running new services to fill the service gaps. The Administration should abolish the implementation of LSGSS.
7.	Mr MAK Yun-pui, Member of Sha Tin District Council	<ul style="list-style-type: none"> ● The Administration should abolish the implementation of LSGSS and undertake long-term social welfare

No.	Name of deputation / individual	Views
		<p>planning.</p> <ul style="list-style-type: none"> ● The problems of unequal pay for equal work and heavy workload had caused low morale and staff turnover problem in the welfare sector, which affected the provision of quality service for service users. To address the problems, staffing expenses should be reimbursed on an actual basis, and staff salaries should be commensurate with their work experience. ● Expressed concern that NGOs' management was allowed too much autonomy and flexibility in establishing staff pay policies, and the pay level for staff at the top tier was too high.
8.	香港社會工作者總工會綜合家庭服務關注組	[LC Paper No. CB(2)1408/17-18(01)]
9.	社總小學輔導關注組	<ul style="list-style-type: none"> ● Under LSGSS, social welfare services became market-oriented and social workers had to compete funding. Given that there was a lack of social welfare planning under LSGSS, the Administration should abolish the implementation of LSGSS and the Task Force should consult all social workers in its review of LSGSS. ● Under LSGSS, NGOs were required to focus on financial planning in the provision of welfare services, instead of maintaining service quality. ● There was a problem of unequal pay for equal work in NGOs. Social workers had difficulty in changing jobs as their work experience was not recognized.
10.	Miss WONG Tsz-yan	<ul style="list-style-type: none"> ● NGOs had spent the LSG subvention on rental cost, administrative cost and staffing expenses for the top and middle management staff, which were not directly related to the provision of welfare services for service users. ● Expressed concern that recipients of the Comprehensive Social Security Assistance Scheme and low-income

No.	Name of deputation / individual	Views
		<p>families had to pay for various welfare services.</p> <ul style="list-style-type: none"> ● Expressed concern about the manpower shortage problem of social workers in NGOs subvented under LSGSS.
11.	Mr LEUNG Lam-fai	<ul style="list-style-type: none"> ● Expressed concern about problems faced by social workers under LSGSS, including a lack of pay scale, heavy workload, manpower shortage, no recognition by new employers of social workers' work experience when they changed jobs, and unequal pay for equal work in NGOs. ● NGOs' management was allowed too much autonomy and flexibility in establishing staff pay scales, while the Administration did not monitor the situation properly. Besides, there was a great disparity in the pay levels between staff at the top and bottom tiers. ● The Administration should abolish the implementation of LSGSS and monitor staffing establishment of NGOs. Besides, staff pay scales of NGOs should follow the civil service pay scales.
12.	Democratic Alliance for the Betterment and Progress of Hong Kong	<ul style="list-style-type: none"> ● The great disparity in the pay levels between staff at the top and bottom tiers had caused low morale and staff turnover problem in the welfare sector. To address the problem, NGOs should be provided with adequate resources for service improvement and staff retention. Besides, the Administration should review the pay structures of NGOs. ● SWD should closely monitor NGOs with poor financial management and improve transparency of NGOs. Given that NGOs with persistent underperformance were still subvented under LSGSS, the Administration should draw up outcome standards for services of NGOs to monitor service delivery. ● The Administration should comprehensively review LSGSS and

No.	Name of deputation / individual	Views
		undertake long-term social welfare planning. In the long run, the Administration should make reference to overseas practices in the provision of welfare services.
13.	Evangelical Lutheran Church Social Service - Hong Kong	[LC Paper No. CB(2)1389/17-18(02)]
14.	Mr LAM Chung-yau	<ul style="list-style-type: none"> ● There was a problem of unequal pay for equal work in NGOs as well as between NGOs and SWD. ● Service users should be involved in deciding the provision of welfare services, e.g. types of services, service delivery and resource allocation, with a view to ensuring service quality. ● Service users should be involved in the review of LSGSS.
15.	Mr CHAN Kam-cheong	<ul style="list-style-type: none"> ● Expressed concern that the Administration had a preconceived position on the review of LSGSS. ● Expressed concern about inadequate representation of the Task Force. ● Expressed concern that social workers were reluctant to express their views on welfare policies since they were afraid of being less advantageous in service and resource allocation under LSGSS.
16.	Mr WONG Wai-leong	<ul style="list-style-type: none"> ● In delivering various projects funded by various government bureaux/ departments, NGOs were exploited as the funding was inadequate. ● Expressed concern that some NGOs had abused the autonomy and flexibility given to them under LSGSS, which affected the interests of NGO staff and service users. ● Expressed concern that the social welfare system was distorted under LSGSS.
17.	Mr CHENG Leong-chi	<ul style="list-style-type: none"> ● The Administration had not reviewed staffing establishment for calculating the subvention benchmark for over 18

No.	Name of deputation / individual	Views
		<p>years, and did not undertake long-term planning for staffing establishment. To cope with the increasing social needs, NGOs had to increase the workload and manpower of social workers, which gave rise to staff turnover problem and financial risk respectively. The morale of social workers and interests of service users would therefore be affected.</p> <ul style="list-style-type: none"> ● Under LSGSS, NGOs focused on providing self-financing services, instead of providing services for the grassroots. ● In the light of the financial pressure under LSGSS, NGOs had to include cost considerations in the planning and management of services. Besides, a cost overrun by NGOs on service provision might reflect that the subvention from the Administration was inadequate to address social needs.
18.	Mrs LAM Chun	<ul style="list-style-type: none"> ● Subvention to NGOs should be reimbursed on an actual basis to facilitate development of the welfare sector. ● Expressed concern that social workers had difficulty in changing jobs as their work experience was not recognized, and there was a problem of unequal pay for equal work in NGOs. These would affect the motivation and career development of social workers.
19.	Miss Yvonne CHAK Tung-ching	[LC Paper No. CB(2)1408/17-18(07)]
20.	Social Welfare Organization Employees Union	<ul style="list-style-type: none"> ● While some NGOs kept excessive LSG reserves and Provident Fund reserves, they did not offer remuneration package which was comparable to that of SWD for their staff. ● Expressed concern that the Administration did not monitor NGOs with a great disparity in the pay levels between staff at the top and bottom tiers.

No.	Name of deputation / individual	Views
		<ul style="list-style-type: none"> ● Given that the frontline staff turnover problem affected service quality, the Administration should establish staff pay scales of NGOs which should follow the civil service pay scales and recognize staff's work experience.
21.	Mr CHEUNG Kwai-ho	<ul style="list-style-type: none"> ● Given that there was a great disparity in the pay levels between staff at the top and bottom tiers, NGOs should disclose the remuneration of their top three tiers of senior executives to facilitate supervision by the public and ensure prudent use of public funds. ● Expressed concern that frontline social workers had to compete funding for running new projects, and some NGOs kept excessive reserves. The Administration should monitor the use of LSG reserves, and encourage NGOs to deploy resources with a view to benefiting service users and relieving the workload of social workers. ● Salaries of social workers employed by NGOs were not comparable to those employed by SWD, and social workers had difficulty in changing jobs as their work experience was not recognized. Besides, some NGOs had not made corresponding salary adjustments for their staff according to Civil Service Pay Adjustments after receiving the additional subvention on salary adjustments. The Administration should allow staffing expenses to be reimbursed on an actual basis and ensure equal pay for equal work in the welfare sector.
22.	Mr HO Kwun-hei	<ul style="list-style-type: none"> ● Called on the Administration to provide a timetable for following up the findings and recommendations of the Director of Audit's Report No. 69 on the administration of LSGs by SWD. ● Under LSGSS, social welfare services became market-oriented and NGOs had to seek funding for running new services to fill the service gaps. As

No.	Name of deputation / individual	Views
		<p>service users had to pay for various welfare services, the grassroots could only afford elderly services provided under LSGSS. Enquired about the market planning for elderly services, and whether the services provided under LSGSS would be means-tested in order to ensure service quality and relieve the workload of social workers.</p>
23.	The Hong Kong Council of Social Service	[LC Paper No. CB(2)1385/17-18(02)]
24.	Concern Group of Small Welfare Agencies	[LC Paper No. CB(2)1364/17-18(11)]
25.	Community and Nursing Care Worker General Union	[LC Paper No. CB(2)1364/17-18(13)]
26.	St. James' Settlement Staff Club	[LC Paper No. CB(2)1364/17-18(10)]
27.	Non-profit Making Organization Staff Association	[LC Paper No. CB(2)1389/17-18(03)]
<u>Session Two</u>		
28.	The Civic Party	[LC Paper No. CB(2)1408/17-18(06)]
29.	The Church of United Brethren in Christ Social Service Division	<ul style="list-style-type: none"> ● Salaries of social workers employed by NGOs were not comparable to those employed by the Hospital Authority, schools and SWD, which affected the morale of NGOs' social workers. The Administration should set the subvention benchmark at the maximum pay point in order to help NGOs retain staff. ● Enquired about the increase in service capacity of NGOs since the implementation of LSGSS. ● The current approach of handling cross-subsidization limited the flexibility accorded to NGOs under LSGSS and stifled their innovation to

No.	Name of deputation / individual	Views
		fill the service gaps.
30.	Ms MAN Suet-yung	<ul style="list-style-type: none"> ● The current approach of handling cross-subsidization limited the flexibility accorded to NGOs under LSGSS and stifled their innovation to fill the service gaps through running non-FSA services. ● The Administration should abolish the implementation of LSGSS.
31.	Miss WONG Ka-yee	<ul style="list-style-type: none"> ● To meet social needs, NGOs had to compete funding for running non-FSA services which were not subvented by the Administration. In the long run, the Administration should be committed to providing subvention for these services. ● Expressed concern that the suggestion of reimbursing staffing expenses on an actual basis would not be covered in the review of LSGSS. ● Given that there was a staff turnover problem in the welfare sector and the provision of non-FSA services was a short-term measure, the interests of service users would be adversely affected.
32.	The Federation of Hong Kong & Kowloon Labour Unions	<ul style="list-style-type: none"> ● Expressed concern that the review of LSGSS would not be effective if issues relating to subvention on staffing expenses would not be covered in the review. ● Given that there was a manpower shortage of frontline care staff in elderly services and the Navigation Scheme for Young Persons in Care Services was ineffective, the workforce of frontline care staff was ageing. ● Given that salaries of NGO staff were not comparable to those employed by SWD and public organizations, NGOs had difficulty in retaining staff, which affected service quality and the interests of service users.
33.	Mr Abdull Ghafar KHAN	<ul style="list-style-type: none"> ● Under LSGSS, social welfare services became market-oriented and NGOs had

No.	Name of deputation / individual	Views
		<p>to focus on meeting targets as required by FSAs.</p> <ul style="list-style-type: none"> ● Expressed concern that there was a great disparity in the pay levels between staff at the top and bottom tiers in NGOs. ● The Administration should consult social workers and service users in the review of LSGSS, and provide a timetable for the review.
34.	Hong Kong Policy Viewers	<ul style="list-style-type: none"> ● The Administration should abolish the implementation of LSGSS which distorted the social welfare system. ● Subvention to NGOs was directly related to long-term social welfare planning. ● The Administration should adopt a standard cost system in providing social welfare subventions while LSGSS could be adopted for community development services.
35.	Mr TSENG Ka-chun	<ul style="list-style-type: none"> ● Expressed concern that the review of LSGSS would not be effective if issues relating to subvention on staffing expenses would not be covered in the review. ● Expressed concern that salaries of social workers were capped at the mid-point salaries of the corresponding civil service pay scales. Social workers should be offered a reasonable level of income to maintain their living standard and safeguard their integrity.
36.	Mr WONG Kwok-kei	[LC Paper No. CB(2)1385/17-18(04)]
37.	Mrs LUK Hoi-shan	<ul style="list-style-type: none"> ● The implementation of LSGSS distorted the social welfare system, e.g. unequal pay for equal work, no recognition by new employers of social workers' work experience when they changed jobs, poor service quality and schism between staff at the top and bottom tiers. ● NGOs had to compete funding for staffing expenses, operating expenses and central administrative cost. Meanwhile, NGOs had to focus on

No.	Name of deputation / individual	Views
		<p>meeting targets as required by various funded projects. Social workers had to draft reports and prepare written applications for funding and devote lots of effort to generate revenue for NGOs, instead of addressing needs of service users.</p> <ul style="list-style-type: none"> ● The Administration should comprehensively review LSGSS, formulate staffing establishment, undertake long-term social welfare planning and abolish the system of service allocation through competitive bidding.
38.	Mr LEUNG Wan-lung	<ul style="list-style-type: none"> ● Given that subvention to NGOs was directly related to long-term social welfare planning, the Administration should undertake such planning. ● The Administration should formulate staffing establishment of welfare services. While staffing expenses should be reimbursed on an actual basis, NGOs should be given flexibility in managing its operating expenses. ● New services which were implemented after the implementation of LSGSS should be included in FSAs and subvented by the Administration. Funding should be provided for running new services to fill the service gaps.
39.	信義會同工LSG關注小組	<ul style="list-style-type: none"> ● The Administration did not undertake long-term social welfare planning and provided inadequate subvention to NGOs for running welfare services. ● Given that NGOs had to compete funding for staffing expenses and operating expenses, the implementation of new services would focus on attracting support from various funds, instead of addressing needs of the grassroots. ● The subvention benchmark set at the mid-point salaries affected pay structures of NGOs and exploited social workers.

No.	Name of deputation / individual	Views
40.	Ms Daby TAM Kwan-wah	[LC Paper No. CB(2)1364/17-18(06)]
41.	Office of Ng Yuet Lan, District Councillor	<ul style="list-style-type: none"> ● The implementation of LSGSS caused the great disparity in the pay levels between staff at the top and bottom tiers in NGOs, and affected the staffing establishment. The Administration should abolish the implementation of LSGSS with a view to improving pay structures and service quality of NGOs. ● Given the problem of unequal pay for equal work in NGOs, staffing expenses should be reimbursed on an actual basis and pay scales of NGOs should be standardized. ● The Administration should establish an independent committee to enhance financial monitoring of NGOs. Besides, it should conduct random checks on welfare services to ensure service quality.
42.	Mr YIP Kin-keung	<ul style="list-style-type: none"> ● The implementation of LSGSS distorted the social welfare system and caused problems of inadequate resources, exploiting NGO staff, poor service quality, staff turnover and competing funding. ● The Administration did not monitor NGOs' provision of bonus to their senior executives, which abused the use of public funds. ● The Administration should review LSGSS, e.g. establishing staff pay scales of NGOs which should follow the civil service pay scales and recognize staff's work experience, as well as undertaking long-term planning for welfare services and the relevant staffing establishment.
43.	Tuen Mun Community Network	<ul style="list-style-type: none"> ● The implementation of LSGSS distorted the social welfare system. NGOs had to compete funding for running services, which affected the stability of their workforce and service quality.

No.	Name of deputation / individual	Views
44.	Mr CHAN Hoi-kit	<ul style="list-style-type: none"> ● The implementation of LSGSS caused problems of focusing on meeting targets as required by FSAs, long working hours, low salary level, staff turnover, heavy workload and low morale. ● The review of LSGSS in 2008 was not effective in improving the system. Besides, the Administration did not undertake long-term social welfare planning and monitor NGOs' use of reserves. ● The Administration should review LSGSS without a preconceived position and consult social workers in the review.
45.	關注LSG石仔組	<ul style="list-style-type: none"> ● The LSG subvention was inadequate to meet staffing expenses, which caused problems of experienced staff turnover, poor service quality and low morale. The Administration should take measures to help NGOs which faced financial risk due to rise of salaries. ● The Administration should ensure equal pay for equal work, and adjust FSAs with a view to formulating staffing establishment. ● Expressed concern that previous subventions provided to NGOs were ineffective in improving welfare services. Besides, subvention to NGOs was directly related to long-term social welfare planning. The Administration should comprehensively review LSGSS.
46.	Hong Kong Family Welfare Society	[LC Paper No. CB(2)1389/17-18(01)]
47.	Mr David CHAN Lap-kei	<ul style="list-style-type: none"> ● When the Administration began to implement LSGSS, social workers had difficulty in finding jobs and suffered from a pay cut. ● The implementation of LSGSS affected the stability of NGOs' workforce, and caused the problem of unequal pay for equal work in the welfare sector which created schism among social workers.

No.	Name of deputation / individual	Views
48.	Reclaiming Social Work Movement	<ul style="list-style-type: none"> ● Expressed concern that the subvention benchmark was set at the mid-point salaries and pay scales of NGOs did not follow the SWD's pay scales. These affected pay structures and service quality of NGOs. The Administration should ensure equal pay for equal work in NGOs. ● In determining the scope of the review of LSGSS, the Administration should include the suggestions of reimbursing staffing expenses on an actual basis and a withdrawal mechanism for LSGSS. ● In the light of the low staff morale, the Administration should abolish the implementation of LSGSS and undertake long-term social welfare planning.
49.	自由黨	<ul style="list-style-type: none"> ● Expressed concern that SWD did not monitor the operation of and provide adequate support for NGOs. ● Under LSGSS, some NGOs had persistent operating deficits while some had excessive reserves. There was a great disparity in the pay levels between staff at the top and bottom tiers. Social workers had to focus on meeting targets as required by FSAs which distorted their career development. ● SWD should monitor the outcome of FSA services and financial management of NGOs. The Administration should enhance LSGSS, instead of abolishing its implementation.
50.	Ms LUK Yat-sum	[LC Paper No. CB(2)1408/17-18(02)]
51.	Mr SZE Wai-hei	<ul style="list-style-type: none"> ● Given the limited resources provided for NGOs, social workers had to focus on meeting targets as required by FSAs, instead of providing adequate services for needy persons. ● The system of service allocation through competitive bidding gave rise to a vicious competition among NGOs, which affected service quality. ● In the light of the low staff morale and

No.	Name of deputation / individual	Views
		<p>staff turnover problem, the Administration should ensure equal pay for equal work in the welfare sector, with a view to maintaining service quality and stability of service. Besides, the pay levels of staff at the top tiers were excessively high.</p>
<p><u>Session Three</u></p>		
52.	Mr LEUNG Kwok-hung	<ul style="list-style-type: none"> ● Through implementing LSGSS, the Administration outsourced its responsibilities in providing welfare services to NGOs. Besides, the Administration did not monitor NGOs with a great disparity in the pay levels between staff at the top and bottom tiers. Some NGOs spent the LSG subvention on providing bonus to their senior executives, instead of providing welfare services for service users. ● Expressed concern that NGOs did not have adequate resources to provide welfare services to address social needs. ● Under LSGSS, some NGOs focused on providing services which could generate revenue, instead of addressing needs of the poor.
53.	Mr KWOK Wai-shing	<ul style="list-style-type: none"> ● Under LSGSS, social workers had to focus on meeting targets as required by FSAs and their workload was heavy. ● There was a great disparity in the pay levels between staff at the top and bottom tiers in NGOs. Pay scales of NGOs did not follow the civil service pay scales. Frontline social workers suffered from poor financial planning of senior executives, which caused low morale and staff turnover problem. ● The Administration was not committed to improving social welfare policies since the implementation of LSGSS. The Administration should comprehensively improve the subvention system, abolish the implementation of LSGSS and undertake long-term social welfare

No.	Name of deputation / individual	Views
		planning.
54.	Mr CHOW Chung-cheung	<ul style="list-style-type: none"> ● The problem of unequal pay for equal work caused staff turnover, which affected service quality and the interests of service users. ● Given the limited resources, NGOs had to seek funding for running short-term services which affected the interests of service users and career development of social workers. Besides, subvention was directly related to long-term social welfare planning. ● Expressed concern that the Administration had a preconceived position on the review of LSGSS.
55.	Mr IP Chi-ho	<ul style="list-style-type: none"> ● Under LSGSS, social welfare services became market-oriented and NGOs had to focus on meeting targets as required by FSAs. Given the limited resources, no specialized services could be provided for needy persons. ● The problem of unequal pay for equal work caused staff turnover problem, which affected service quality and the interests of service users. Given that the subvention benchmark was set at the mid-point salaries and pay scales of NGOs did not follow civil service pay scales, salaries of NGO staff were not comparable to those of SWD and public organizations. ● Called on the Administration to comprehensively review and reform LSGSS.
56.	CIHESSAA	<ul style="list-style-type: none"> ● Given that NGOs were given autonomy and flexibility in establishing staff pay scales and staffing establishment, frontline social workers were exploited. ● The implementation of LSGSS caused staff turnover problem, which affected the interests of service users. ● The Administration should reform LSGSS on a large scale.

No.	Name of deputation / individual	Views
57.	Miss LAM Kam-lee	[LC Paper No. CB(2)1408/17-18(03)]
58.	Christians To The World	<ul style="list-style-type: none"> ● While NGOs' management was given excessive power under LSGSS, there was no mechanism to provide adequate checks and balances on their power. ● Expressed concern that the Administration did not undertake long-term social welfare planning and allocated welfare services through competitive bidding. ● Expressed concern that NGOs had to focus on meeting targets as required by FSAs.
59.	Mrs CHEUNG Pui-lan	<ul style="list-style-type: none"> ● The implementation of LSGSS caused problems of manpower shortage, staff turnover and vacancies, which affected the stability of NGOs' workforce and the interests of service users. Besides, salaries of NGO staff were not comparable to those employed by SWD, the Education Department and the Hospital Authority. ● NGOs' management focused on competing funding, generating revenue and conducting financial management, instead of helping needy persons. As SWD allocated services to the lowest bidder through competitive bidding, NGOs had to limit the resources required in their written applications for funding and use other resources to supplement the services. ● The Administration should abolish the implementation of LSGSS and reimburse NGO expenses on an actual basis.
60.	社區發展陣線	<ul style="list-style-type: none"> ● Through implementing LSGSS, the Administration outsourced its responsibilities in undertaking long-term social welfare planning. ● Given that provision of welfare services in new public rental housing ("PRH") estates was not well-planned, NGOs had to compete funding for running short-term services to fill the service

No.	Name of deputation / individual	Views
		<p>gaps. The welfare services in new PRH estates lacked staffing establishment and permanent premises, which affected the stability of service provision.</p> <ul style="list-style-type: none"> ● The Administration should reform the social welfare system, e.g. undertaking long-term social welfare planning, assessing service needs, reviewing staffing establishment and remuneration package of NGOs and establishing a team of social workers serving new PRH estates for a period of five to six years.
61.	江貴生先生, Member of Sham Shui Po District Council	<ul style="list-style-type: none"> ● Through implementing LSGSS, the Administration outsourced its responsibilities in providing welfare services. Support for NGOs to develop new services was limited. ● Under LSGSS, social welfare services became market-oriented and NGOs had to seek funding for running new services and focus on attracting support from various funds. ● The Administration might consider separating staffing expenses from LSGSS or increasing the amount of subvention to NGOs. In the long run, the Administration should abolish the implementation of LSGSS and undertake long-term social welfare planning.
62.	關注綜援低收入聯盟	<ul style="list-style-type: none"> ● Expressed concern that the review of LSGSS would be only a small scale. ● The implementation of LSGSS caused problems of unequal pay for equal work and the great disparity in the pay levels between staff at the top and bottom tiers in NGOs. Social workers had to do casual jobs and the stability of their career development was affected. ● NGOs had to focus on meeting targets as required by FSAs. Given that NGOs had to compete funding, social workers focused on preparing written applications for funding.

No.	Name of deputation / individual	Views
63.	爭取低收入家庭保障聯席	<ul style="list-style-type: none"> ● Under LSGSS, NGOs focused on meeting targets as required by FSAs. ● The implementation of LSGSS created schism between NGO staff at the top and bottom tiers. ● The Administration should reform LSGSS and take measures to help social workers develop services for addressing social needs.
64.	低保聯	<ul style="list-style-type: none"> ● There was a great disparity in the pay levels between staff at the top and bottom tiers in NGOs. Besides, frontline social workers had to suffer from a pay cut. ● The lack of staffing establishment and manpower shortage problem in NGOs affected the provision of quality service for service users. ● The Administration should comprehensively reform LSGSS and undertake long-term social welfare planning.
65.	Miss CHAN Pui-yi	[LC Paper No. CB(2)1364/17-18(07)]
66.	關注綜援低收入聯盟(LSG小組)	<ul style="list-style-type: none"> ● Expressed concern that the Administration had a preconceived position on the review of LSGSS, e.g. the implementation of LSGSS would not be abolished and a withdrawal mechanism for LSGSS would not be considered. ● The review of LSGSS in 2008 was not effective in improving the system and some NGOs still did not meet the requirements stipulated in the Best Practice Manual for NGOs under LSGSS. ● The Administration should comprehensively reform LSGSS and undertake long-term social welfare planning, with a view to ensuring service quality.
67.	社區發展陣線(LSG)	<ul style="list-style-type: none"> ● The implementation of LSGSS affected labour rights in the welfare sector. ● Given that social welfare planning was

No.	Name of deputation / individual	Views
		<p>affected and the provision for resources was fragmented under LSGSS, NGOs had to compete funding for running short-term services to address social needs. This affected the interests of service users.</p> <ul style="list-style-type: none"> ● The Administration should undertake long-term social welfare planning.
68.	關注學童發展權利聯席	<ul style="list-style-type: none"> ● The implementation of LSGSS caused problems of limited resources and manpower shortage in the welfare sector. ● The Administration should comprehensively enhance LSGSS and address needs of social workers.
69.	社福同行(LSG小組)	<ul style="list-style-type: none"> ● The implementation of LSGSS affected the provision of quality service and the interests of service users. ● The Administration should comprehensively reform LSGSS and address demands from social workers and service users.
70.	林倩雯小姐	<ul style="list-style-type: none"> ● The Administration should take measures to address social workers' problems of heavy workload and low salaries.
71.	黃穎姿小姐	<ul style="list-style-type: none"> ● The Administration should comprehensively reform LSGSS which distorted the social welfare system. ● Social workers had to focus on administrative work and prepare written applications for funding, instead of helping needy persons. ● Under LSGSS, NGOs did not have adequate resources for running new services to fill the service gaps.
72.	關注LSG改革小組	<ul style="list-style-type: none"> ● Given that limited resources were allocated to NGOs under LSGSS, this created schism in the welfare sector. NGOs focused on competing funding and resources. Besides, some small-scale NGOs did not have adequate resources to run services.

No.	Name of deputation / individual	Views
		<ul style="list-style-type: none"> ● NGOs had to focus on meeting targets as required by FSAs, instead of addressing needs of service users. ● In providing self-financing services, social workers devoted lots of effort to generate revenue, which affected the interests of service users.
73.	社區前進	<ul style="list-style-type: none"> ● Under LSGSS, social workers devoted lots of effort to attract support from NGOs' management, instead of providing services to promote social justice and develop human rights. ● The Administration should abolish the implementation of LSGSS.
74.	天姿作圍	<ul style="list-style-type: none"> ● The implementation of LSGSS adversely affected social workers' dedication to work. ● Under LSGSS, NGOs provided short-term services which affected the stability of NGOs' workforce and the interests of service users.
75.	香港民主民生協進會	<ul style="list-style-type: none"> ● The Administration did not undertake long-term social welfare planning. This affected the provision of welfare services, e.g. residential care places for the elderly, teams of social workers serving new PRH estates and permanent premises for Integrated Community Centre for Mental Wellness. ● Given that social workers devoted lots of effort to prepare written applications for funding under the system of service allocation through competitive bidding, the Administration should reform the subvention system in the welfare sector. ● The implementation of LSGSS caused problems about staff remuneration package, e.g. a great disparity in the pay levels between staff at the top and bottom tiers, short-term employment contracts, no recognition by new employers of social workers' work experience when they changed jobs and easily changed staffing establishment.

No.	Name of deputation / individual	Views
76.	SEN權益會	<ul style="list-style-type: none"> ● Social workers were under great pressure as they had to focus on meeting targets as required by FSAs and various funded projects. ● Under LSGSS, social welfare services became market-oriented. Given the limited resources, NGOs had to run short-term services which affected the interests of service users. ● The Administration should abolish the implementation of LSGSS and undertake long-term social welfare planning.
77.	社福同行(關注整筆撥款改革)	<ul style="list-style-type: none"> ● Given that some NGOs kept excessive reserves which increased the risk of corruption, service users expected greater transparency of NGOs. ● The Administration did not monitor the operation of NGOs. Besides, social workers were offered short-term employment contracts and staff turnover problem affected the interests of service users. ● Expressed concern that NGOs had to undertake planning for welfare services under LSGSS.
78.	關注學童發展權利聯盟	<ul style="list-style-type: none"> ● Under LSGSS, provision of welfare services was fragmented and NGOs had to focus on meeting targets as required by FSAs, which affected service quality. Besides, quality and outcome of FSA services should not be quantified as the requirements under FSAs. ● While NGOs' management was given flexibility in allocating resources, frontline social workers were not allocated adequate resources for providing services for service users. Besides, there was a great disparity in the pay levels between staff at the top and bottom tiers. Given the limited manpower, workload of social workers was heavy. ● The Administration had haggled over the measures for service users even with a strong fiscal reserve. It should

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		undertake long-term social welfare planning and respect professional judgement of social workers in providing welfare services.
79.	Hong Kong Social Workers Association	[LC Paper No. CB(2)1364/17-18(09)]
80.	Miss WONG Ka-yuk	[LC Paper No. CB(2)1364/17-18(12)]
81.	Mr CHOW Yiu-hong	<ul style="list-style-type: none"> ● Under LSGSS, NGOs were given too much flexibility in formulating staffing establishment. There was a great disparity in the pay levels between staff at the top and bottom tiers. NGOs' management focused on generating revenue and usually exploited frontline staff. ● In reviewing LSGSS, the Administration should consider introducing penalty on NGOs' management to prevent exploitation of frontline staff.
82.	Mr LAM Keung	[LC Paper No. CB(2)1385/17-18(03)]
83.	Dr TING Wai-fong	<ul style="list-style-type: none"> ● The Administration ignored public opinion and recommendations made by the welfare sector in providing welfare services. It should address demands from social workers and review LSGSS in an open, fair and just manner. ● The implementation of LSGSS damaged the trust and created schism among the board, management and frontline staff of NGOs. ● Expressed concern that social workers could not be involved in work relating to their profession under LSGSS.
84.	吳惠娥小姐	[LC Paper No. CB(2)1364/17-18(14)]
85.	Mr YU Chun-yin	<ul style="list-style-type: none"> ● NGOs faced financial risk due to rise of salaries. The current subvention system and staffing establishment were rigid and outdated. ● NGOs had to compete funding and

No.	Name of deputation / individual	Views
		<p>attract support from various funds for running short-term services, which affected the stability of their workforce and the interests of service users. The current approach of handling cross-subsidization was rigid. It limited the flexibility accorded to NGOs under LSGSS and stifled their innovation to fill the service gaps and address social needs.</p> <ul style="list-style-type: none"> ● The Administration should comprehensively review LSGSS, e.g. staffing establishment and the use of reserve, and undertake long-term social welfare planning.
86.	Miss CHAN Sin-tung	<ul style="list-style-type: none"> ● There was a problem of unequal pay for equal work in the welfare sector. ● Since NGOs had to compete funding for running services, social workers had to focus on meeting targets as required by FSAs and various funded projects. The limited resources stifled NGOs' innovation to fill the service gaps and address needs of service users. ● In the light of low salaries and staff turnover problem, the Administration should review staffing establishment of NGOs.
87.	Miss WONG Shuk-ming	<ul style="list-style-type: none"> ● Given that NGOs were given flexibility in financial management, NGOs had to reduce pay and manpower due to financial risk. Meanwhile, some NGOs might misuse the LSG reserves to avoid returning the unused subvention. ● Given that some NGOs terminated their provision of services due to poor financial management, the Administration should take measures to help the affected NGO staff and service users, and establish a mechanism for preventing recurrence of similar incidents. Transparency of NGOs should be enhanced for monitoring by NGO staff. ● The Administration should share with NGOs the responsibility in the provision

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		of welfare services, which protected the interests of NGO staff and service users. The Administration should undertake long-term social welfare planning.
88.	Mr Billy CHAN Shiu-yeung, Member of Sha Tin District Council	<ul style="list-style-type: none">● Expressed concern that the review of LSGSS would not be effective if the suggestion of reimbursing staffing expenses on an actual basis would not be covered in the review.● The problem of unequal pay for equal work and the subvention benchmark capped at the mid-point salaries caused low staff morale and staff turnover problem. The system of service allocation through competitive bidding increased workload of social workers as they were responsible for various projects and administrative work at the same time. Besides, provision of short-term services could not address needs of service users.● The Administration should comprehensively review LSGSS, consult the welfare sector in the review and undertake long-term social welfare planning. In the long run, the Administration should abolish the implementation of LSGSS.