

ITEM FOR FINANCE COMMITTEE

HEAD 170 - SOCIAL WELFARE DEPARTMENT

Subhead 700 General other non-recurrent

**New Items “On-the-Job Training Programme for People with Disabilities”,
“Enhancing employment of people with disabilities through small enterprise”
Project, and “The Hong Kong Paralympians Fund”**

Members are invited to approve the creation of three new commitments of -

- (a) \$22.5 million to implement an on-the-job training programme for people with disabilities;
- (b) \$50 million to fund a project to assist non-profit-making organisations to create and run small businesses employing people with disabilities; and
- (c) \$50 million to establish the “Hong Kong Paralympians Fund” to assist disabled athletes,

as part of a comprehensive package to provide better care for people with disabilities.

PROBLEM

Apart from meeting the care needs of people with disabilities through provision of day and residential facilities, there is a need to enhance the self-reliance and self-esteem of people with disabilities and to facilitate their integration into the community through active employment assistance and promotion of their sporting talents.

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PROPOSAL

2. We propose to create -
- (a) a new commitment of \$22.5 million to implement a three-year programme to provide on-the-job training for people with disabilities;
 - (b) a new commitment of \$50 million to assist non-profit-making non-governmental organisations (NGOs) to create and run small businesses employing people with disabilities; and
 - (c) a new commitment of \$50 million to set up the “Hong Kong Paralympians Fund” to assist disabled athletes.

JUSTIFICATION**Promoting Self-reliance**

3. At present, various measures are in place to further the employment opportunities of people with disabilities. These include the employment services of sheltered workshops (SW) and supported employment (SE) under the Social Welfare Department (SWD), and the Selective Placement Division of the Labour Department (LD) which helps people with disabilities find jobs in the open market.

4. Over the years, there has been continuous expansion in both SW and SE services. Currently, there are 6 995 SW places and 1 280 SE places. SW provides service for people with all categories of disabilities. Those who have better potential or of milder disabilities can move upward to a more integrated work setting on a group or individual basis through SE. Ideally, they can then move on to open employment. However, in practice, SE to open employment is not an easy bridge to cross - many have difficulties in adapting to an open employment situation without more intensive support. Parents of disabled children are also worried about the impact of open employment on their children. The lack of upward mobility in the employment opportunities of people with disabilities has resulted in many staying in a sheltered environment for a relatively long period. This is not conducive to their rehabilitation and re-integration into the community.

5. With a view to improving the employment prospects of people with disabilities, the Selective Placement Division of LD, with a grant from the S. K. Yee Medical Foundation, has piloted a trial placement scheme to provide

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financial incentive to employers offering work placements to people with disabilities. The initial results of this scheme indicate some success. Separately, under the Support for Self-reliance Scheme for able-bodied Comprehensive Social Security Assistance recipients, SWD has introduced a series of intensive employment assistance measures including a special on-the-job attachment programme and an intensive employment assistance fund to fund worthwhile projects. This again has confirmed that with more tailor-made support, the employability of people with special problems can be significantly improved.

6. Taking account of the above experiences, we believe that people with disabilities, which have hampered their employment, could benefit from similar initiatives. Accordingly, we plan to introduce two schemes, namely a three-year on-the-job training programme at a cost of \$22.5 million and a scheme to provide grants of up to \$50 million as seed money for NGOs to set up small businesses employing people with disabilities.

On-the-Job Training Programme for People with Disabilities

7. We will pilot a special on-the-job training/attachment programme on a three-year basis, benefitting no less than 360 people with disabilities each year. The objective of the project is to enhance the employment of people with disabilities through proactive training, market driven and placement-tied approach, overcoming disabled job seekers' barriers to work, and encouraging employers to create or offer job opportunities for people with disabilities. Each person will receive an individual plan comprising a period of counselling, training and job matching (three months), a job attachment in an NGO or private company (three months), a job trial in the open market with a private sector employer (three months), and post-placement service (six months). We will commission eight NGOs to operate the project, each serving a designated number of clients.

8. As part of the programme, we will provide a job attachment allowance of \$1,250 per month for a maximum of three months to a disabled participant who achieves no less than 80% attendance per month. This is to cover any additional expenses that they may incur. To incentivise the private sector employer to offer job trials, we will pay to the employer providing the job opportunity, an allowance at a rate of half of the wage of the worker or \$3,000, whichever is the lower, also for a maximum of three months. For budgetary purposes, the periods of job attachment and job trial with allowance, are set at three months each. NGOs will be given the flexibility to vary the periods of job attachment and job trial to suit the needs of individual participants but normally, the same employer offering a job to the same worker will not be given an allowance for more than three months.

9. We intend to invite NGOs to submit applications to operate the programme in July 2001, with a view to commissioning the project in October 2001. We will require NGOs to achieve specified levels of success in placing the target clients. SWD will closely monitor the service and evaluate it against the objective of improving the employability of people with disabilities and increasing awareness and willingness on the part of employers to employ people with disabilities.

*“Enhancing employment of people with disabilities through small enterprise”
Project*

10. In recent years, some NGOs have pioneered simulated businesses to create training and work opportunities for people with disabilities. This adopts the model of social firms developed in the U.K., Italy, Germany, Spain and Sweden etc. Social firms take the form of business activities in pursuit of a social mission to improve the employment of people with disabilities. The advantage of these operations is that people with disabilities can enjoy genuine employment in a carefully planned and sympathetic working environment. It resolves the problem of continuous transition of people with disabilities in different training and work settings and who have difficulty in sustaining a job in the open market. In Hong Kong, NGOs are running businesses, including cleansing contracts, cafes, kiosks and fruit stalls, as part of the SE programme and in the majority of cases, workers in these businesses are regarded as trainees or service users, rather than employees per SE.

11. We see scope for further developing this mode of support to people with disabilities. The merit of this proposal rests not only in providing another employment outlet for people with disabilities, but also in giving these individuals the status of an employee. To kick start these enterprises, we propose to create a new commitment of \$50 million to make grants to assist NGOs to create and run small businesses employing people with disabilities. We expect the scheme to benefit a considerable number of disabled clients now using the SW or SE services. This in turn will release places to accommodate newcomers. The exact number of beneficiaries under this initiative will depend on the projects to be put up by NGOs.

12. Applications should contain a viable business plan that can commence no later than six months after approval of the grant. Some of the considerations in vetting the applications will include -

- (a) viability of the business plan;
- (b) management capability of the agency including experience, qualification, past performance in business; and
- (c) the extent of benefit to people with disabilities, including the number of people with disabilities to be employed.

13. Assessment Panels will be formed to assess the merits of the applications. Members of these Panels will comprise government officials, businessmen, financial/accounting personnel, and people with disabilities, so as to provide the necessary commercial, financial, professional and policy input in the assessment.

14. The grant will be paid to successful agencies to assist them to cover the cost of equipment, fitting-out works etc. and the initial working capital for the procurement of stocks and payment of initial operating expenses (normally not exceeding 12 months) for the preparatory business or marketing team. The maximum amount of a grant is \$2 million per business, and the project can therefore benefit at least 25 businesses.

15. The supported business will be required to employ people with disabilities. People with disabilities should make up at least 60% of the total workforce in terms of headcount in the business at any one time. This is to ensure that the objective of the fund in improving the employment opportunities of people with disabilities is safeguarded whilst recognizing that for some businesses, the employment of non-disabled persons is necessary to complement the smooth operation of the business.

16. The business will be open for inspection at any time by SWD. We intend to follow through with these businesses for a period of at least three years with agencies submitting progress reports, business plans, financial reports and audited accounts as necessary. The businesses will be evaluated through indicators like the number of people with disabilities employed and the income of people with disabilities engaged in the businesses, etc. The Marketing Consultancy Office of SWD working under an Advisory Committee including persons with business experience and persons with disabilities, will be responsible for administering this programme.

17. Subject to Members' approval, we will publicise the scheme and invite applications in August 2001. Our tentative plan is to invite applications in two phases so that subsequent proposals can learn from the experience of the first group of projects.

Pursuit of Excellence

18. Hong Kong's disabled athletes achieved excellent results in the Sydney 2000 Paralympic Games. This was the first time the Hong Kong delegation comprised both physically and mentally handicapped athletes. Together, they won

18 medals and broke a number of world records. The achievement of people with disabilities in sports has not only promoted self-confidence and self-esteem amongst the disabled population, but has also helped to instill in the general population a much better appreciation of the ability and talents of people with disabilities.

19. In pursuing sporting excellence, athletes need support and assistance in all stages of development in their careers. Currently, the Hong Kong Sports Development Board (HKSDB), through its Sports Aid for the Disabled Fund (SADF) and other award schemes, provide support to disabled athletes. We propose to supplement such effort by providing support to disabled athletes during all stages of their sporting career and afterwards.

20. We have earmarked \$50 million in the 2001-02 Budget as a one-off grant to support disabled athletes. We propose to set up **the Hong Kong Paralympians* Fund** under the Director of Social Welfare Incorporation (DSWI) Ordinance, Cap. 1096. The Fund will give grants to the following categories of programmes to supplement but not displace the current support from HKSDB for disabled athletes.

At Pre-career Stage

(a) *Grant to the SADF to meet the needs of “eligible” athletes*

The SADF provides financial assistance to elite and disabled athletes with potential, supports pre-competition training and international participation. To supplement such support, we propose to make grants to the SADF on an annual basis to meet any deficit for the next three years.

At Career Stage

(b) *Subsistence Grant to disabled athletes*

While disabled athletes contribute their time and effort to participate in international events and pursue sporting excellence, they may have to give up their employment or study. It is therefore worthwhile to provide direct financial assistance to disabled athletes through a subsistence grant so that they can resign from work or take unpaid leave or work for less hours or temporarily suspend their study.

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* Paralympians is an international term used to denote elite athletes with a disability.

(c) Development of Target Sports

Training for disabled athletes to participate in international competitions is currently mainly organised by two NGOs, viz. the Hong Kong Sports Association for the Physically Disabled (SAP) and the Hong Kong Sports Association for the Mentally Handicapped (SAM). The HKSDB provides some support for disabled sports training programmes, in the form of programme expenses, amounting to \$400,000 and \$100,000 is provided to SAP and SAM respectively. To supplement such support, we propose to provide a grant, to be made direct to the NGOs, for hiring and enhancing technical support for target sports programmes with the aim of assisting our disabled athletes in international competitions such as the Paralympic Games and World Championships.

Post-career Stage*(d) Employment assistance for retired disabled athletes*

Athletes who have contributed their time and effort to pursue sporting excellence and represented Hong Kong in international sports have in some way sacrificed their study or careers. When they retire from sports, they need to develop a career to re-establish their self-esteem and earn a living. Post-career support is essential for disabled athletes since without special support, many of our outstanding disabled athletes might go to normal employment services for people with disabilities such as sheltered workshop or supported employment. Their valuable experience and expertise in sports and their peer influence on other disabled athletes would be lost. Time-limited job attachment in a sports related field or other suitable employment or vocational training should be arranged to assist in their efforts to gain self-reliance, after their retirement.

21. Although the Fund is to be set up under DSWI with Director of Social Welfare as the Trustee, it will be managed by a committee comprising mainly non-officials from relevant sectors. Applications for funding support for these four categories will be invited once a year. We propose that disbursement of grants annually should not be restricted to the interest earned given the fluctuation in requirements. For example, demand will be considerably greater in the period preceding major events. However, to prevent the Fund from being depleted rapidly, we propose to restrict total annual allocations from the Fund to no more than three times the projected return for that year and to ensure a reserve of \$30 million to be maintained at all times. The exact number of beneficiaries under this initiative will depend on the applications to be put up. Proposed criteria for vetting applications to the Fund and the management committee structure are at Enclosures 1 and 2 respectively. Subject to Members' approval, we will invite applications for grants in September 2001.

Encls. 1
& 2

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FINANCIAL IMPLICATIONS

22. We estimate that the proposal will incur a non-recurrent cost of \$122.5 million, made up as follows -

	2001-02	2002-03	2003-04	2004-05	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
(a) On-the-Job Training Programme for People with Disabilities	3.8	7.5	7.5	3.7	22.5
(b) "Enhancing employment of people with disabilities through small enterprise" Project	10.0	20.0	20.0	-	50.0
(c) The Hong Kong Paralympians Fund	50.0	-	-	-	50.0
Total	63.8	27.5	27.5	3.7	122.5

23. As regards paragraph 22(a) above, the estimated annual cost is \$7.5 million, including \$2.9 million for commissioning work by the eight NGOs and \$4.6 million for payment of job attachment allowances for 360 participants and allowances to their employers for three months each.

24. Subject to Members' approval, the Secretary for the Treasury will approve under delegated authority the supplementary provision required in 2001-02 by deleting an equivalent amount under Head 106 Miscellaneous Services Subhead 789 Additional commitments. We will include sufficient provision in future Estimates for expenditure from 2002-03 onwards.

BACKGROUND INFORMATION

25. In his 2001-02 Budget Speech, the Financial Secretary announced a package of initiatives to provide better care for the disabled costing an additional \$219 million in 2001-02. The government will provide annual recurrent expenditure of \$242 million in the long-term and non-recurrent expenditure of \$122.5 million upon full implementation of this package. The expenditure initiatives represent a comprehensive approach to meeting the needs of people with disabilities. The four main components are providing the facilities; promoting self reliance; continuing the support and pursuing excellence.

26. The rehabilitation sector and parents groups have reacted most positively to the various initiatives since their announcement in March 2001. SWD has consulted the Sector, including users' groups, in drawing up these detailed plans. We have briefed the Rehabilitation Advisory Committee on 5 June 2001 and the Legislative Council Panel on Welfare Services on 11 June 2001. Members were supportive of the proposals.

Health and Welfare Bureau
June 2001

**Hong Kong Paralympians Fund
Proposed Assessment Criteria for Allocation of Grant**

We propose that in assessing funding applications for the Hong Kong Paralympians Fund, the Committee should take into account the following -

1. Grants to the Sports Aid for the Disabled Fund (SADF) to meet the needs of eligible athletes

- (a) Whether the SADF is having financial deficits to meet the need of grants to eligible disabled athletes;
- (b) whether the SADF have other alternative resources to meet such deficits; and
- (c) applications for this purpose will not be considered after 2004.

2. Subsistence Grant to disabled athletes in support of their training and participation in international events

- (a) Whether the applicant is support-worthy in terms of his/her performance record in the previous two years at Paralympic Games or World Championships;
- (b) whether the applicant is committed to participating in training programmes;
- (c) whether the applicant has recommendations from his/her coach; and
- (d) whether the applicant has given up his/her wage from job or deferring his/her schooling.

3. Development of Target Sports

- (a) Whether the proposed sports programme has achieved world-wide level, i.e. at the Paralympic Games or World Championships;
- (b) whether the scope and nature of the application can assure the support for development of the sport programme; and
- (c) whether the applying agency is considered to be capable of properly managing and using the grant.

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4. Employment assistance such as time-limited job attachment/training for retired disabled athletes

- (a) Whether the applicant has represented Hong Kong at Paralympic Games /World Championships;
- (b) whether the applicant has been retired as an athlete from or after 2000 Paralympic Games; and
- (c) whether the applicant has ever engaged in open employment.

**Hong Kong Paralympians Fund
Management Committee**

A two-tier committee structure is proposed to administer the Hong Kong Paralympians Fund.

I. Management Committee

Proposed terms of reference

1. To oversee the usage of the Fund and to evaluate the Fund in terms of achieving its objectives;
2. to review the assessment criteria periodically and apportion the grant among the four categories; and
3. to review the classification and eligibility of target sports programme.

Proposed Membership

Chairman – Non-official

Members – Representative from the Social Welfare Department
Representative from the Home Affairs Bureau
Representative from the Hong Kong Sports Development Board
Representative from parents of mentally/physically disabled persons
1-2 retired elite athletes, both disabled and able-bodied
3-4 personnel from the sports field and the rehabilitation field

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II. Grants Subcommittee

Proposed terms of reference

1. To process application for subsistence grants and employment assistance projects; and
2. to approve application for grants as appropriate within the overall annual allocation as determined by the Management Committee.

Proposed Membership

Chairman : Non-official

Members : 5-6 members from the sports and rehabilitation sectors, parents associations and the Social Welfare Department.

Social Welfare Department will provide secretarial and investment services to the Fund.