

LegCo Panel on Welfare Services

**New Expenditure Initiatives to provide
Improved Care for the Disabled**

Purpose

This paper informs Members of the implementation plan for the new initiatives to assist people with disabilities, as announced by the Financial Secretary in his 2001 Budget Speech. We intend to seek Finance Committee (FC)'s approval for the necessary funds, on 22 June 2001.

A Comprehensive Package

2. The four components of the expenditure initiatives are -
 - (a) providing the facilities;
 - (b) promoting self-reliance;
 - (c) continuing the support; and
 - (d) pursuing for excellence.

Providing the Facilities

3. The demand for day and residential services for people with disabilities often exceeds the supply. This has given rise to varying waiting times. Prior to the 2001 Budget initiatives, we have planned for an increase of some 2,450 additional places in the next five years. To further improve the situation, the Budget initiatives have earmarked financial resources to provide an extra 2,747 places. We are pursuing various measures to ensure early delivery of these extra places. We estimate that about 60% or 1,647 places will be available within the current financial year, made up as follows -

In 2001-02*Day Service Places*

Day Activity Centre	237
Sheltered Workshop	120
Supported Employment	580
	937

Residential Service Places

Hostel for Severely Mentally Handicapped Persons	70
Hostel for Moderately Mentally Handicapped Persons	30
Care & Attention Home for Severely Disabled Persons	50
Long Stay Care Home	200
	350

Pre-school Service Places

Integrated Programme in Child Care Centre	360
---	------------

Total 1,647

With the exception of two new Day Activity Centres, all the extra places are to be made available in existing facilities through in situ expansion or conversion of some under-utilised premises with extra manpower resources provided to the agencies concerned. As regards the Integrated Programme places for pre-primary children with special needs, individual units each of six places will be provided in normal child care centres. This arrangement is conducive to better care for the children and helps pave the way for their subsequent integration into mainstream primary schools.

4. The remaining 1,100 day and residential places for which new premises are required are made up of -

Day Activity Centre	450
Hostel for Severely Mentally Handicapped Persons	450
Care & Attention Home for Severely Disabled Persons	200

Total **1 100**

So far, we have identified Government/Institution/Community sites and public housing estate premises for about 700 places. We are vigorously searching for suitable premises for the remaining 400 places. As things now stand, it will take up to 2005-06 for all these outstanding places to be delivered.

5. Upon full commissioning, the total recurrent expenditure for this initiative amounts to \$212.4 million. The cash flow required in 2001-02 will be met from within the approved provision in the 2001-02 Estimates.

Promoting Self-reliance

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

7. Over the years, there has been continuous expansion of provision in both sheltered workshop and supported employment services. Currently, there are 6,995 SW places and 1,280 SE places. Sheltered workshop is a provision for the low, moderate and severely disabled. For those who have better potential or of milder disabilities, they could move upward to a more integrated work setting through SE, on a group or individual basis. In the ideal situation, people with disabilities should then move on to open employment. However, in practice, SE to open employment is not an easy bridge to cross: many would have difficulties in adapting to an open employment situation without more intensive support. Feedback from parents of disabled children also indicates that they were worried about open employment for their children. This inadequate upward mobility in the employment opportunities of people with disabilities has resulted in many staying in the sheltered environment for a relatively long period. This is not entirely conducive to their rehabilitation and re-integration into the community.

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

employers offering placement for people with disabilities. The initial results of this scheme indicate some success. Separately, under the Support for Self-reliance Scheme for able-bodied CSSA 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 for financing worthwhile projects. This again has confirmed that with more tailor-made support, the employability of people with special problems can be significantly improved.

9. Taking account of the above experience, we feel that people with disabilities which have hampered their employment can also benefit from similar initiatives. Accordingly, we plan to introduce two schemes, namely a three-year on-the-job training/attachment programme at a total cost of \$22.5 million and a \$50 million commitment for providing seed money for Non-Government Organisations (NGOs) to set up small business employing people with disabilities.

On-the-Job Training Programme for People with Disabilities

10. We will pilot a special on-the-job training/attachment programme on a 3-year basis, benefiting 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 counseling, training and job matching (3 months), a job attachment in NGO or private company (3 months), a job trial in the open market with a private sector employer (3 months), and post-placement service (6 months). We will commission NGOs to operate the project, each serving a designated number of clients. As part of the programme, we will provide job attachment allowance of \$1,250 per month for a maximum of three months to the disabled participant who achieves no less than 80% attendance per month during the job attachment period to cover any additional expenses that they may incur. To incentivise the private sector employer to offer job trials, an allowance will be paid to the employer providing the job opportunity at a rate of half of the wage given to the worker or \$3,000, whichever is the lower, also for a maximum of three months.

11. The estimated annual cost for the Programme is \$7.5 million or a total cost of \$22.5 million over a period of three years. The estimated annual cost includes \$2.9

million for commissioning of NGOs and \$4.6 million for payment of job attachment allowance for the participants and allowance to the employers. For budgetary purpose, the periods of job attachment and job trials with allowance are set at three months each. Operating NGOs will be given the flexibility to vary the periods of job attachment and job trials to suit the varying 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.

12. We intend to seek Finance Committee's approval for a new commitment of \$22.5 million to operate this Programme. Subject to FC approval, we will invite NGOs to submit applications to operate the Programme in July 2001, with a view to commissioning the project in October 2001.

Grants to create and run small businesses with Employment of People with Disabilities

13. In recent years, some NGOs have pioneered simulated businesses to create training and work opportunities for people with disabilities. This endeavour adopts the model of social firms developed in overseas countries such as the U.K., Italy, Germany, Spain, 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 such operation 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 have difficulty in sustaining a job in the open market. Such business initiatives of NGOs in Hong Kong include cleansing contracts, running of cafes and kiosks and fruit stalls. At present, NGOs are running these businesses as part of the Supported Employment programme and in the majority of cases, workers in these business are regarded as trainees or service users, rather than employees per se.

14. We see much 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 people the genuine 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 with employment of people with disabilities.

15. 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 -

- viability of the business plan;
- management capability of the agency including experience, qualification, past performance in business; and
- the extent of benefit to people with disabilities.

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

17. The grant will be paid to the successful agencies to assist them to cover the initial requirement to procure the necessary equipment, cost of 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.

18. 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 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 while recognizing that for some business, the employment of non-disabled persons are necessary to complement the smooth operation of the business.

19. The approved business is open for inspection at any time by representatives of SWD. We intend to follow through these businesses for a period of at least three years with agencies submitting progress reports, business plans, financial report and audited accounts as necessary. 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.

20. We plan to seek FC's approval of a new commitment of \$50 million for the purpose. Subject to FC's approval, we will widely publicise the scheme and invite

applications in August 2001. Our tentative plan is to invite applications in two batches so that subsequent proposals could learn from the experience of the first batch of projects.

Continuing the Support

21. To ensure that people with disabilities and their families/carers acquire fuller integration and active participation in the community, support services and facilities should be strengthened. In view of the shortage of services for the severely mentally/physically handicapped, enhancement of support network responsive to individual family needs at the district level is important. Besides, intensive aftercare service to discharged mental patients and empowerment through a community of mutual support groups will provide better opportunities for mentally ill persons to live, work and achieve their potentials. Furthermore, socializations programmes and activities in sports, culture and art will help develop hobbies, and interest as well as interpersonal relationship which strongly facilitate people with disabilities integrated into the community.

22. With an additional allocation of \$30 million a year, we will place a major effort to improve our community support services as listed below -

(a) Strengthening existing community-based services

Additional funding will be given to support outreaching service to the vulnerable ex-mentally ill persons; additional sign language interpretation service to the hearing impaired persons; improving the mobility and home care training service for visually impaired persons; facilitating accessibility of severely/moderately mentally handicapped persons to attend day centres/workshops through enhancing commercial-hired transport service; strengthening the functions of social and recreational centres, training and activity centre for mentally ill and parents resource centres; developing gateway clubs for the mentally handicapped adults.

(b) Building a community-based support network to take care of mentally handicapped persons and their carers

To provide better care for mentally handicapped persons living with their

carers, a pilot project on setting up of community care and support network in selected districts with great demand for residential services is proposed. Service scope of the network include outreaching to the vulnerable mentally handicapped persons in the district; supporting carers when meeting crisis and emergency through provision of home care, respite care, hotline services and emergency placement etc; and providing social inclusion activities such as development of volunteers and support persons.

(c) Promoting self-advocacy and mutual help among the disabled

People with disabilities and their carers should be encouraged to self help and help others in similar situations. They should also be given a chance to participate actively in the planning and delivery of services for people with disabilities. We intend to extend funding support to assist the development of self-help organizations, parents associations, patients groups with a view to helping them achieve active participation in enhancing their quality of life.

23. To ensure that the funds will be used most optimally in light of changing needs, we will allocate grants to operators and groups on a three-year basis. Re-application of proposals for particular services or continuation of financial support will be based on review of the needs and evaluation of the respective service types. The funds are part of SWD's recurrent subventions which we shall be able to absorb within the approved provision for 2001-02. Accordingly, we will proceed with its implementation immediately. We expect funding allocations to be made in October 2001.

Pursuing for Excellence

24. In pursuing sporting excellence, athletes need support and assistance in all stages of development in their career. Currently, the Hong Kong Sports Development Board (HKSDB), through its Sports Aid for the Disabled Fund (SADF) and other award schemes, are providing support to disabled athletes. Such support is currently constrained by the resources available to the HKSDB. For example, the SADF often has inadequate funding from its capital to support all justifiable cases. More resources are required to supplement the current level of support in order to strengthen

the development of sports for the disabled; to provide more incentives to disabled athletes for their efforts during their pre-career and career stage in bringing pride to Hong Kong; as well as in recognition of their contributions, rendering them employment assistance in their post-career.

25. The Financial Secretary has earmarked \$50 million 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 Ordinance empowers the Incorporation to invest the Fund's money in accordance with the provisions of the Trustee Ordinance, Cap. 29. Having consulted disabled athletes groups, we propose that the Fund will give grants to the following categories of programmes to supplement but not displacing the current support from HKSDB for disabled athletes.

At Pre-career Stage

(a) *Grant to the Sports Aid for the Disabled Fund to meet the needs of "potential" athletes*

The SADF provides financial assistance to elite and potential disabled athletes, supports pre-competition training and international participation, as well as provides training of coaches and officials. As the number of athletes eligible for grants grows from year to year, with a capital of only \$6.5 million, the income generated is not adequate to meet all the support-worthy grants. At times of insufficient income for disbursement, not all elite and potential athletes are assisted. Until the HKSDB could identify alternative long term resources to augment the SADF, we propose to make grants to the SADF on an annual basis in a short term to meet the deficit for potential athletes. This arrangement should last for 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 for sporting excellence, they might have given up

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

their earnings from work or prolonged their studying. It is therefore worthwhile to provide direct financial assistance to disabled athletes through subsistence grant so that they can resign from work or work for less hours or to suspend their school learning or lengthen their period of study temporarily as required.

(c) Development of Target Sports

Training for disabled athletes to participate in international competitions are 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 has been providing some support for disabled sports training programmes but owing to insufficient funding, only a token support of \$400,000 and \$100,000 are provided to SAP and SAM respectively. This is considered inadequate and hampers the further development of disabled elite athletes. The grant, to be made direct to the concerned NGOs, is intended for the hiring of coaches and enhancement of new technical support of target sports programmes with an aim to strengthen the disabled athletes' position 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 games have in some way sacrificed their study or career development. When they retire from sports, they need to develop a career to re-establish their self-esteem and means of living. The post-career support is particularly essential for disabled athletes as 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 related field and other suitable employment or vocational training should be arranged to assist in their efforts to gain self-reliance after their retirement.

26. The Fund though set up under DSWI will be managed by a management committee comprising mainly non-officials in related sectors. Applications for funding support for the above four categories will be invited once per annum. 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 the total annual allocations of the Fund to no more than three times the projected return for that year and to ensure a reserve of \$30 million being maintained at all times. We will seek FC's approval of a new commitment of \$50 million to set up the Fund. Subject to FC's approval, we will invite applications for grants in September 2001.

Conclusion

27. The rehabilitation sector has reacted positively to the various initiatives, since their announcement in March this year. Since then, SWD has consulted the sector, including users' groups, in drawing up these detailed plans. We briefed the Rehabilitation Advisory Committee on 5 June 2001 and intend to seek funding approval from FC on 22 June 2001.

Social Welfare Department

June 2001