

**Speaking Note for Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
for Examination of the 2008-09 Draft Estimates
to be held on 2 April 2008**

Welfare and Women

Chairman and Honorable Members,

Recurrent spending on social welfare in 2008-09 is \$37.8 billion, representing an increase of \$3.8 billion (+11.2%) over the Revised Estimate last year. It accounts for 17.6% of government's recurrent expenditure and is the second largest spending item after Education. Let me highlight how our Bureau is going to make use of these additional resources.

Social Security

2. We have to ensure the sustainable development of our non-contributory social security system, which is funded entirely by the general revenue. The combined share of the Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) in the total recurrent government expenditure has increased from 8.8% in 1997-98 to 11.9% in 2007-08. The number of recipients has risen from 820 000 (March 1998) to 1 090 000 (February 2008),

representing an increase of 40%. The estimated expenditure of these two schemes in 2008-09 amounts to \$26.2 billion.

3. The Administration proposes to provide an additional month of CSSA standard rate payments and Disability Allowance to share the fruits of our economic prosperity with the recipients. The financial implication of this one-off measure is \$1.2 billion, benefiting 620 000 recipients.

4. The Administration is very concerned about the impact of the recent rise in inflation on CSSA households. Apart from the additional one-month CSSA standard rate payments, we also propose to adjust the CSSA standard payment rates in accordance with the existing mechanism ahead of the normal schedule this year to ease the impact of inflation on the recipients. This measure will increase government expenditure on CSSA payments when inflation rises and benefit some 500 000 CSSA recipients.

The Elderly

Old Age Allowance (OAA)

5. To share the fruits of our economic prosperity with over 470 000 OAA recipients, we propose to provide each of them with a one-off grant of \$3,000. This special measure will cost around \$1.5 billion.

6. In view of our ageing population, the Labour and Welfare Bureau (LWB) will conduct an in-depth study on how best to improve the OAA scheme.

We hope that a sustainable and affordable option for the community can be worked out by the end of the year.

Elder Academies

7. To promote active ageing so that elders could enjoy fruitful lives through engaging in learning, the Pilot Elder Learning Scheme was launched by the Elderly Commission and LWB in early 2007. Altogether 32 elder academies, which are operated by primary/secondary schools in partnership with non-governmental organizations (NGOs), have commenced operation, providing over 5 000 places in the 2007/08 academic year. Our next target is to extend the Scheme to tertiary institutions. Apart from that, we will continue to encourage more primary / secondary schools and tertiary institutions to join this scheme.

Support and Care Services for the Elderly

8. “Ageing in the community” is one of the underlying principles of the Government’s elderly policy. To this end, we facilitate elders to age in the community by providing a wide range of subsidised community care and support services. Subsidised residential care places are also made available to the elderly who are in need but cannot be adequately taken care of at home. In 2008-09, the Government’s estimated expenditure on elderly services, excluding public housing and public health services, will amount to \$3.66 billion,

representing an increase of 10.3% compared with the Revised Estimate of last year.

9. It is worth noting that additional recurrent funding of about \$79 million is provided in the 2008-09 Estimate to enhance services for the elderly. These include:

- \$12.0 million to provide 160 additional day care places;
- \$29.8 million to provide 278 additional subsidised residential care places;
- \$19.3 million to provide 180 additional infirmary places in residential care homes for the elderly; and
- \$18 million for District Elderly Community Centres to strengthen their counselling and referral services as well as processing of applications for subsidised long-term care services for the elderly.

10. Besides, the 2008/09 Budget has earmarked one-off funding of \$200 million to launch a new subsidy scheme in the next five years to help elders who live in dilapidated homes and lack financial means to improve their home conditions. The scheme can be launched at the soonest in June 2008.

11. We hope that the above initiatives will foster the promotion of “ageing in the community” and “active ageing”, as well as the provision of “continuum

of care”, which are all important concepts advocated by the Administration and the Elderly Commission.

Combating Domestic Violence

12. Over the past few years, the Administration has devoted additional resources to strengthen the support and specialised services for victims of domestic violence. In the coming year, we will further increase the annual recurrent funding by \$40 million to strengthen direct support to victims of domestic violence and families in need, including enhancing the hotline service of the Social Welfare Department (SWD), increasing the capacity of refuge centres for women and residential homes for children, sustaining the effort of the publicity campaign and public education, and enhancing the training of relevant frontline professionals and childcare staff.

More Flexible Child Care Services

13. To strengthen the support to parents who are unable to take care of their children because of work or other reasons, the Administration will allocate additional funding of \$45 million over the next three years to promote various types of child care services that offer greater flexibility and to strengthen day foster care service.

14. In this regard, we will commission NGOs / district organizations to launch a “Neighborhood Support Child Care Project” in 2008-09. The Project

will be implemented in phases in five to six districts where the demand for child care services is more pressing. It has two components: centre-based care group and home-based child care service.

15. The operating hours of the new services will be more flexible, including services in the evenings, at some weekends and certain holidays. In order to promote mutual help in the neighbourhood, operators will train up local residents, so that they can become home-based child carers and assist in implementing the centre-based care group service. Fees can be waived for families in financial difficulty.

Creating Posts for Young People

16. In the coming three years, the Administration will provide additional resources totaling \$954 million to create 3,000 three-year Programme Worker posts for young people aged between 15 to 29, so that they can gain work experience and enhance their job-related skills. These will lay a solid foundation for their future development. These posts will be allocated by SWD to 91 of its subvented NGOs.

Rehabilitation

17. On rehabilitation services, the Administration will allocate additional resources amounting to \$360 million annually to continuously enhance the

services and support for persons with disabilities (PWDs) to facilitate their integration into society.

18. First, to further encourage PWDs to participate in activities away from home, the Administration proposes to provide an additional monthly transport supplement of \$200 each to recipients of Disability Allowance aged between 12 and 64, and recipients under the CSSA Scheme in the same age group with 100% disability. This proposal, which involves an annual expenditure of \$230 million, will benefit about 96 000 PWDs.

19. At the same time, we will allocate \$96.4 million annually to increase the number of places of various rehabilitation services. These include 300 new pre-school service places, 490 new subsidized residential places and 450 additional day training and vocational rehabilitation places.

20. Furthermore, we will also allocate \$34.7 million annually to re-engineer the existing community support services. Sixteen district-based community support centres will be set up to provide one-stop support services for PWDs and their family members/carers so that they may obtain the required services at the same centre within the district.

21. To strengthen the mental health service in Tin Shui Wai, the Administration plans to set up a new integrated community centre for mental

wellness in the district to provide one-stop mental health support services to local residents. This project will entail annual expenditure of \$3.5 million.

22. Apart from recurrent expenditure, the Administration will allocate \$22 million in 2008-09 to acquire eight new Rehabuses and replace 24 old ones to enhance the Rehabus service. The Administration will also continue to subsidise up to 80% of the operating costs of the Rehabus service, and this amounts to an annual expenditure of \$32 million.

Women's Interests

23. In 2008-09, the Administration has earmarked \$21.5 million for promoting women's interests, including allocation of funding for implementing the Capacity Building Mileage Programme to encourage women to pursue life-long learning. The Administration will continue to work closely with the Women's Commission to promote women's interests and well-being.

24. Chairman, this concludes my opening remarks. My colleagues and I shall be happy to respond to questions from Members.

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