

**Speaking Note for Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
for Examination of the 2009-10 Draft Estimates
to be held on 26 March 2009**

Welfare and Women

Chairman and Honourable Members,

In 2009-10, government recurrent spending on social welfare and women's interests will reach \$39.3 billion, representing an increase of \$110 million (+0.3%) over the Revised Estimate last year. It accounts for 17.2% of the total recurrent government expenditure in 2009-10, second only to education. In comparison with the 2008-09 Original Estimate, after discounting the special one-off allocation of about \$2.7 billion of the year, including special one-off payments to recipients of Old Age Allowance (OAA), Comprehensive Social Security Allowance and Disability Allowance and taking into account the upward adjustment of OAA rate to \$1,000 per month since January 2009, there is a real term growth of 6.3% in recurrent spending on social welfare. Now, let me highlight how our Bureau will make use of the additional resources.

More Flexible Child Care Services

2. In this financial year and the next, we will continue to make use of the \$45 million that the Government has earmarked in 2008-09 to implement the three-year pilot Neighbourhood Support Child Care Project (NSCCP). The NSCCP aims at providing parents in need with more flexible child care services in addition to the regular ones, and more importantly, it helps to promote community participation and mutual assistance in the neighbourhood. It has two service components: (i) home-based child care service for children aged under six, and (ii) centre-based care group for children aged three to under six. The operating hours of both services are flexible, covering the evenings, some weekends and some public holidays. Fee subsidy or waiver is available for families with financial difficulties and social needs.

3. The first phase of the NSCCP commenced operation last October in six locations with a higher demand for child care services, namely Tung

Chung, Sham Shui Po, Kwai Chung, Tuen Mun, Yuen Long and Kwun Tong. By the end of this month, the Government will extend the NSCCP to other districts to meet the needs of more families.

Supporting the Elderly

Promoting “Active Ageing”

4. The Government has been promoting active ageing with the Elderly Commission (EC) to encourage elders to maintain close contact with the community and lead an enriched life.

Neighbourhood Active Ageing Project

5. With elders playing a leading role, the Neighbourhood Active Ageing Project (NAAP) seeks to establish neighbourhood support networks and enable elders to become a new driving force in the community. Through cross-sectoral collaboration, the project mobilises different organisations and individuals who are interested in serving the community to promote the message of active ageing and caring for elders.

6. Taking into account the views and experience from various sectors, the Labour and Welfare Bureau (LWB) will continue such partnership with EC. To further strengthen the NAAP, an additional provision of \$5 million will be allocated in 2009-10 to launch the Pilot Neighbourhood Active Ageing Project – Prevention of Elderly Suicide (“the project”). Through establishing new neighbourhood networks in each district, the project will aim to enhance community efforts to prevent elderly suicide and encourage elders to care for themselves. After the project has been rolled out in April, there would be a total of 75 NAAP district projects launched across the territory.

Elder Academy Scheme

7. The Government has been working with EC since the beginning of 2007 to promote the Elder Academy Scheme and encourage lifelong learning among elders. At present, there are 78 Elder Academies in primary and secondary schools. Elder Academies are run jointly by school-sponsoring bodies and social welfare organizations, and operate under the principles of cross-sectoral collaboration and inter-generational harmony. The Government has also gained the support of seven tertiary institutions which will provide Elder Academy courses.

8. To further promote the Elder Academy Scheme, the Government and various sectors will work together to co-sponsor and establish an Elder Academy Development Foundation to provide seed money to secondary and primary schools as well as tertiary institutions to develop Elder Academies, and ensure the sustainable development of this scheme. We will allocate \$10 million to this end. LWB and EC invited a new round of applications for setting up Elder Academies in secondary and primary schools on 6 March 2009.

Care services for the elderly

9. In 2009-10, the Government's estimated expenditure on elderly services, excluding that on public housing and public health services, amounts to \$3.93 billion, representing an increase of 7% compared with the Revised Estimate of last year.

10. It is worth noting that additional recurrent funding of about \$92 million is provided in the 2009-10 Estimate to enhance services for the elderly. These include:

- an additional \$17 million to provide a total of 150 subsidised residential care places in two newly built contract residential care homes for the elderly (RCHEs); and an additional \$38 million for providing 500 subsidised residential care places through the Enhanced Bought Place Scheme; and
- an additional \$37 million to enhance support for RCHEs taking care of infirm and demented elders.

11. The new initiatives will help meet the growing demand for subsidised residential care services and further enhance the care for infirm and demented elders staying in RCHEs.

Women's Interests

12. The Government has been working closely with the Women's Commission to promote women's well-being and interests through the three-pronged strategy, viz. the provision of an enabling environment, empowerment of women and public education. We will allocate \$20 million in the coming three years to expand the Capacity Building Mileage Programme to encourage more women to pursue continuous learning and self-development.

Rehabilitation Services for Persons with Disabilities

13. For rehabilitation services, additional allocation is provided to enhance various rehabilitation services, medical social service and rehaus service.

Increasing the number of places for rehabilitation services

14. We will provide additional recurrent funding of \$18.5 million in 2009-10 to provide 54 additional places for pre-school services, 156 additional places for residential care services, and 30 additional places for day training and vocational rehabilitation services, so as to enhance the care and training for persons with disabilities (PWDs). Together with the allocation already earmarked in this financial year for 2009-10, we expect to provide a total of 354 additional places for pre-school services, 671 additional residential care places, 140 additional places for day training and 340 additional places for vocational rehabilitation services in 2009-10.

Medical social service

15. To support the enhanced psychiatric out-patient, rehabilitation and oncology services given by the Hospital Authority in recent years, the Government will correspondingly strengthen the related medical social service. In 2009-10, an additional funding of \$4.5 million will be allocated to increase the number of medical social workers to 391 by providing 10 additional medical social workers. This will enable more timely welfare services to be provided to patients and their families, thereby facilitating their rehabilitation and integration into the community.

Rehaus service

16. To enhance the Rehaus service, the Government will provide additional funding of about \$7.7 million in 2009-10 to increase the Rehaus fleet to 115 by acquiring 6 new buses and replacing 4 old ones. Through the replacement of 37 buses and the purchase of 20 new buses in the past two years and the following year, the average vehicle age of the fleet will be reduced from 5.8 years in early 2007 to 3.5 years. We will also allocate \$37.2 million to subsidise the recurrent expenditure of the Rehaus service in 2009-10. This allocation represents around 80% of its operating cost.

Combating Domestic Violence

17. The Government is committed to combating domestic violence. Over the past few years, we have devoted additional resources to strengthen the support and specialised services for victims of domestic violence and families in need. In 2009-10, we will further provide an annual recurrent funding of about \$25 million to strengthen direct support to victims of domestic violence and families in need, including increasing the number of social workers and clinical psychologists dealing with domestic violence cases, further developing the batterer intervention programme, and strengthening support for crisis centres and refuge centres for women. The SWD will also continue its effort on publicity and public education to enhance public awareness of domestic violence problem, and strengthen the training for frontline professionals.

Developing Social Capital

18. We believe that every individual has his talents and potentials. If these can be developed and synergy achieved through strengthening interpersonal relationships, we can have a powerful network of mutual assistance, which is not only able to promote and sustain the development of the entire community, but may also support its needy families. This is the impact of social capital.

19. We established the \$300-million Community Investment and Inclusion Fund (CIIF) in 2002 to provide seed funding for NGOs to implement community projects which aim at building social capital through cross-sector partnerships. Having regard to the special characteristics of social capital, the projects mainly promote mutual support in the neighbourhood, encourage community participation and enhance the participants' personal capacity.

20. The CIIF Committee has just approved another round of funding application in the middle of this month. To date, CIIF has funded more than 200 community projects involving around \$200 million. In other words, over 60% of the original provision for CIIF has been allocated. We shall closely monitor the spending portion of CIIF and consider making an application for funding injection when necessary.

Social Security

21. 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) Scheme and Social Security Allowance (SSA) Scheme in the total recurrent government expenditure has increased from 8.8% in 1997-98 to 13.0% in 2008-09. The number of recipients has risen from 820 000 (March 1998) to 1 090 000 (January 2009), representing an increase of 33%. The estimated expenditure of these two schemes in 2009-10 amounts to \$27.1 billion. The estimated expenditure is 3.4% lower than the revised estimate for 2008-09. This is mainly due to the additional one-off payments/allowances for CSSA and SSA recipients on two different occasions in 2008-09. If necessary, we can apply to the Finance Committee of LegCo during the financial year for additional funding to meet demand.

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

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