

**Speaking Note for Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
for Examination of the 2012-13 Draft Estimates
on 8 March 2012**

Welfare and Women

Chairman and Honourable Members,

In 2012-13, government recurrent spending on social welfare and women's interests will reach \$44 billion, accounting for 16.7% of the total recurrent government expenditure of the same year, second only to education and health. In comparison with the revised estimate for 2011-12, there is an increase of \$3.6 billion (i.e. about 9%). This reflects our commitment to supporting the disadvantaged. Providing support to the elderly, those with disabilities, children and families in need is our main focus in caring for people's livelihood this year as unveiled in the Budget Speech. Now, let me highlight how our Bureau will make use of the resources.

Strengthening elderly care services

2. In 2012-13, the Government's estimated expenditure on elderly care services in the social welfare policy area amounts to \$5.03 billion, representing an increase of 15% when compared with the revised estimate of last year. This reflects our commitment in this area. I will introduce the new initiatives to be implemented by the Government with additional resources allocated in 2012-13 as follows.

Community care services (CCS) for the elderly

3. The Government's policy objective in elderly care services is to encourage "ageing in place" which is also the wish of most elders. To this end, we will plan for a pilot scheme on CCS voucher for the elderly and increase the provision of CCS places.

Planning for a pilot scheme on CCS voucher for the elderly

4. We briefed the Panel on Welfare Services of the Legislative Council on the preliminary proposal of the pilot scheme on 13 February 2012. We intend to implement this four-year scheme in two phases starting from

2013-14. The Government will provide subsidy directly to eligible service users for them to choose the service they need. We aim to encourage different types of service providers to join the market, thereby promoting the further development of CCS through this new funding mode of “money follows the person”.

5. In the first phase of the pilot scheme (i.e. the first two years), we shall start with a simpler scheme that both the service providers and users can get used to more easily. For example, we propose that all service users in the first phase should be elders with impairment at moderate level. Since they have similar care needs, we can set a single voucher value, i.e. \$5,000 per month per participant.

6. With the experience gained in the first phase, we will consider introducing more complex features to cater for elders’ varied needs in the second phase of the scheme.

Increasing the provision of CCS places

7. The implementation of the pilot scheme for CCS voucher for the elderly will not affect the existing subsidised CCS provision. We will continue to increase conventional subsidised service places (including day care services and home care services) to cope with the demand. In the past five years (from 2007-08 to 2011-12), the Government had allocated additional funding to provide about 2 000 CCS places for the elderly (about 1 500 home care places and 500 day care places). In 2012-13, the Government will also increase funding of about \$36 million to provide an additional 500 home care and 185 day care places. The number of new home care places is larger than the number of frail elders currently waiting for such services (about 400).

Improving the physical setting and facilities of elderly centres

8. Apart from taking care of frail elders, we will also cater for the needs of other elders. In the coming year, the Government will allocate about \$900 million from the Lotteries Fund to improve the physical setting and facilities of up to 250 district elderly centres over the territory in phases over six years. These elderly centres may purchase new equipment and facilities, such as information technology facilities, health-related facilities, etc. to encourage elders to exercise more and pursue continuous learning, thereby promoting their physical and mental health.

9. To avoid causing huge inconvenience to the elders, the works will be suitably scheduled so that they will not be carried out concurrently at all the elderly centres in the same district.

Residential care services (RCS) for the elderly and Residential Care Supplement

10. The Government of the current term has continuously allocated resources to substantially increase the provision of subsidised residential care places, in particular nursing home places which cater for the needs of frail elders.

11. From 2011-12 to 2014-15, eight new contract residential care homes for the elderly (RCHEs) will commence operation. The Government has also earmarked sites in another nine development projects for the construction of new subsidised contract RCHEs. With the new funding in 2012-13 and other committed resources, over 2 600 new subsidised residential care places (about 1 250 nursing home places and about 1 400 care & attention places) will commence service from 2011-12 to 2014-15.

12. Apart from increasing the provision of RCS places, we also attach great importance to the quality of residential care places. In 2012-13, we will allocate about \$15 million to upgrade the quality of over 600 places from EA2 to EA1 level under the Enhanced Bought Place Scheme (EBPS), thereby encouraging elders to choose EBPS homes and enhancing the overall quality of RCHEs.

13. We will also introduce a Residential Care Supplement of \$265 per month for recipients of Comprehensive Social Security Assistance (CSSA) aged 60 or above who occupy non-subsidised residential care places, so as to ease their financial burden. Persons with disabilities and persons in ill-health, who are on CSSA and occupy non-subsidised residential care places, irrespective of age, will also be eligible. The Social Welfare Department (SWD) expects to effect payment for about 30 000 eligible recipients in the middle of this year after making necessary adjustments to its computer system.

Support to demented and infirm elders

14. To strengthen the support to demented elders, the Budget this year proposes to increase funding by \$137 million for providing the Dementia Supplement (DS) to subvented RCHEs, private RCHEs under EBPS and day care centres/units for the elderly (DEs/DCUs). In 2012-13, the DS

provision will amount to over \$200 million, which is triple the amount in 2011-12 (i.e. \$71 million).

15. In 2012-13, each RCHE will be provided with DS at about \$40,000 per demented elder; and each DE/DCU at about \$24,000 per demented elder. The provision is expected to benefit about 5 000 elders.

16. The service units may use DS to engage additional staff (including occupational therapist, nurse, social worker, etc.) or purchase related professional service, in order to provide proper care services and training for demented elders.

17. Furthermore, the Government has been providing Infirmary Care Supplement (ICS) to subvented RCHEs and EBPS homes to support about 1 500 infirm elders. In the coming year, the ICS provision will be increased by a recurrent funding of \$17.5 million.

Public transport concessions for the elderly and persons with disabilities

18. In 2011-12 Policy Address, the Chief Executive proposed a public transport concessions scheme for the elderly and persons with disabilities (the Scheme) to enable all elderly people aged 65 or above and eligible persons with disabilities to travel on the general Mass Transit Railway lines, franchised buses and ferries anytime at a concessionary fare of \$2 a trip. The Scheme aims to encourage the elderly and eligible persons with disabilities to participate in more community activities, thereby enriching social capital and developing a spirit of care and inclusiveness. We estimate that about 980 000 elderly people and 130 000 eligible persons with disabilities will benefit from the Scheme. The Government has been pressing ahead with full steam various preparatory work. Our aim is to finalise all the arrangements for the Scheme and implementation details in the first half of this year, and to launch the Scheme as soon as possible in the second half of the year upon completion of the upgrading and testing of the Octopus systems of the public transport operators concerned.

Enhancing rehabilitation and support services for persons with disabilities and their carers

19. The rehabilitation policy of Hong Kong aims to promote the development of the capabilities of persons with disabilities and their full integration into the community. To this end, the Government has been allocating additional resources to strengthen the rehabilitation services.

Taking into account the expenditure of the Labour and Welfare Bureau, SWD (excluding related expenditure under CSSA Scheme and Social Security Allowance (SSA) Scheme), Labour Department and Transport Department (Rehabus service) alone, the overall recurrent expenditure for rehabilitation services has already increased from \$2.8 billion in 2007-08 to \$3.8 billion in 2011-12, representing an increase of 36%. In 2012-13, the relevant recurrent expenditure will further increase to \$4.0 billion, representing an increase of 43% when compared with 2007-08.

Increase the number of places of rehabilitation services

20. Pre-school services provide early training and support for children with disabilities (including autistic children) and their families. There are 6 230 places at present. In the Budget Speech, an additional allocation of \$4.4 million is proposed for providing 90 new places. Coupled with the allocation for recurrent expenditure already earmarked, a total of 607 additional places will come on stream in 2012-13.

21. Residential care services are also provided for persons with disabilities who cannot live independently and those who cannot be adequately cared for by their families/carers. There are 11 725 subvented residential care places in 2011-12. In 2012-13, additional funding of \$28.5 million will be allocated to provide 200 new places for residential care services. Coupled with the allocation for recurrent expenditure already earmarked, a total of 627 additional residential care places in 2012-13 will come on stream.

22. Moreover, the statutory licensing scheme for residential care homes for persons with disabilities (RCHDs) came into operation following the commencement of the Residential Care Homes (Persons with Disabilities) Ordinance and the Residential Care Homes (Persons with Disabilities) Regulation on 18 November 2011. As a complementary measure, SWD has, since October 2010, launched the Pilot Bought Place Scheme for Private Residential Care Homes for Persons with Disabilities (BPS) which aims to encourage private RCHDs to upgrade their service standards, increase the supply of subsidised residential care places so as to shorten the service waiting time, and help the market develop more service options.

23. To strengthen the abilities of persons with disabilities in securing suitable employment, the Government strives to provide them with vocational training and employment support services. At present, there are a total of 16 734 places for day training and vocational rehabilitation services. Additional funding of about \$4.3 million will be allocated for providing 50

new places for day training and vocational rehabilitation services in 2012-13. Coupled with the allocation for recurrent expenditure already earmarked, a total of 461 places for day training and vocational rehabilitation services will come on stream in 2012-13.

Enhance employment support services for persons with disabilities

24. In 2001-02, SWD was provided with a one-off allocation of \$50 million to introduce the “Enhancing Employment of People with Disabilities through Small Enterprise Project” (3E’s Project). Through granting seed money to non-governmental organisations (NGOs) for the setting up of small enterprises, the 3E’s Project creates job opportunities for persons with disabilities. As at December 2011, 70 businesses had been set up under the 3E’s Project, creating over 550 jobs specifically for persons with disabilities. In order to create more job opportunities for persons with disabilities, we have obtained the approval of the Legislative Council Finance Committee and will soon inject \$100 million into the 3E’s Project. The Government will also enhance support for the small enterprises under the 3E’s Project, for example, to extend the funding period from a maximum of two to three years.

25. Furthermore, starting from 2012-13, we will allocate an annual recurrent provision of \$8 million to provide subsidies to employers of persons with disabilities for procuring assistive devices and carrying out workplace modification works, thereby promoting the open employment of persons with disabilities and enabling persons with disabilities to work more efficiently and facilitating them to secure open employment. An employer will be provided with a maximum subsidy of \$20,000 for each employee with disabilities. We estimate that 400 employees with disabilities will benefit from this scheme.

26. Besides, through providing a mentorship award as financial incentive, we aim to encourage employers to render workplace guidance to employees with disabilities and help them adapt to new jobs. Each mentor will be offered a one-off award of \$500 as encouragement. We estimate that 2 700 employees with disabilities will benefit from this scheme.

Enhance community support services for persons with disabilities

27. In 2008, SWD set up the Transitional Care and Support Centre for Tetraplegic Patients, providing pilot residential, day training and residential respite care services for tetraplegic patients. As the services have proved to be effective, we will allocate an annual recurrent provision of about \$10.1

million starting from 2012-13 to regularise this service to provide continuous services for persons in need and help relieve the pressure of their carers. We estimate that the Centre can serve about 130 persons with disabilities each year.

Strengthen rehasub service

28. In tandem with the Government's on-going efforts to improve the accessibility of public transport for persons with disabilities, Rehasub provides point-to-point scheduled and dial-a-ride transport services for persons with disabilities who have difficulties in using public transport. The rehasub fleet currently comprises 123 vehicles, running 79 scheduled routes, three feeder routes and the Dial-a-ride service. Having regard to service demand and to enhance service quality, the Government will provide additional funding of about \$9.9 million to increase the rehasub fleet to 129 by acquiring six new buses, replace four old ones, and procure a new Telecom and Interactive Voice Response System in 2012-13. The Government will also allocate \$44.8 million to subsidise the recurrent expenditure of the rehasub service. This allocation represents more than 80% of its operating cost.

Enhancing social rehabilitation services and medical social services for persons with mental health problems

29. The Government is mindful of the needs of persons with mental health problems and their families/carers, and keeps under regular review the operation and provision of community support services in response to changing demand.

30. In 2010, we have consolidated the existing resources of \$65 million, together with an additional provision of \$70 million, to revamp the existing mental health community support services and rolled out the district-based one-stop service delivery mode of the Integrated Community Centres for Mental Wellness (ICCMWs) across the territory. During the period from the commencement of service in various districts in 2010 to December 2011, ICCMWs had served about 16 400 ex-mentally ill persons and persons who are suspected to have mental health problems. The outcome is considered satisfactory. ICCMWs have also organised over 2 700 public education activities to enhance community understanding of mental health. In 2011-12 and 2012-13, we continue to allocate additional provisions of about \$39.4 million and \$8.5 million respectively to enhance the manpower of ICCMWs with a view to providing comprehensive and accessible services for

more persons in need, and to dovetail with the Case Management Programme implemented by the Hospital Authority to provide suitable support for persons with severe mental illness living in the community. In other words, the total amount of resources allocated for ICCMWs will be over \$180 million in 2012-13.

Upgrading barrier-free facilities of Government premises

31. In response to the Formal Investigation Report on Accessibility in Publicly Accessible Premises released by the Equal Opportunities Commission in June 2010, the Government will accelerate the upgrading of the barrier-free facilities in existing Government and Housing Authority premises and facilities. We have already carried out a comprehensive retrofitting programme costing \$1.3 billion to upgrade the barrier-free facilities in about 3 700 existing Government premises and facilities and about 300 premises under the Housing Authority. Among them, around 3 300 premises and facilities will have retrofitting works completed by June 2012.

Social Security

32. The CSSA Scheme and the SSA Scheme form the mainstay of the social security system in Hong Kong. Excluding one-off additional payments, the estimated total expenditure of these two schemes in 2012-13 is about \$29.4 billion, which is 6.4% higher than the revised estimate last year, and represents 11.1% of the total recurrent government expenditure and 66.7% of the recurrent social welfare expenditure.

Providing an extra payment to recipients of CSSA, Old Age Allowance (OAA) and Disability Allowance (DA)

33. To help ease the pressure of the economic downturn on our community, the Financial Secretary proposes to provide an extra payment to CSSA recipients, equal to one month of the CSSA standard rate; and OAA and DA recipients, equal to one month of the allowances. This proposal will involve an additional expenditure of about \$2.1 billion. We estimate that about 1.1 million recipients, including about 440 000 CSSA recipients, 520 000 OAA recipients and 140 000 DA recipients, will benefit.

Enhancing support for children and families

Enhancing residential child care services

34. To support children who are not adequately cared for by their families and young people with behavioural or emotional problems, the Government has all along been subsidising NGOs to provide various kinds of residential child care services. In order to strengthen the support for needy families and children, we will further enhance the residential child care services and provide 130 additional service places in phases. We will also raise the foster care allowance for foster families by more than 30%.

Enhancing integrated family services

35. Integrated Family Service Centre (IFSC) is the backbone of Hong Kong's family welfare services which provides a continuum of preventive, supportive and remedial family welfare services in a one-stop manner. To more effectively prevent and address family problems, we will, in addition to the IFSC established in Sham Shui Po last year, set up three other centres in districts with greater service demand, bringing the total number of such centres to 65.

36. The total annual expenditure of the above measures for enhancing the support for children and families is estimated to be about \$68 million.

Enhancing support for the youth

Set up additional youth outreaching teams

37. We have been addressing the multifarious and changing needs of youth through a holistic and integrated mode of service. To reach out to more youths at risk, we shall set up three more youth outreaching teams, one each in Tseung Kwan O, Ma On Shan and Tung Chung. With the additional teams, we can counsel them and refer them to other mainstream services. This will incur additional annual funding estimated at \$12 million.

Strengthening Our Social Capital

Inject \$200 million into the Community Investment and Inclusion Fund

38. The Community Investment and Inclusion Fund was set up in 2002 to promote social capital development through encouraging mutual support in the neighbourhood, community participation and cross-sectoral partnerships. Since its establishment, the Fund has subsidised 238 projects rolled out by more than 130 organisations involving over 560 000 participants. There have been notable achievements in capacity building, enhancement of interpersonal relationship and development of community networks. We propose to inject an additional \$200 million into the Fund to ensure that it can continue to perform its social function in furthering social capital development at the district level.

Women's Interests

39. The Government has been working closely with the Women's Commission (WoC) to promote women's well-being and interests through a three-pronged strategy, viz. the provision of an enabling environment, empowerment of women and public education. In 2012-13, we have earmarked \$28.5 million to promote women's interests and support the Commission's work, representing an increase of 16% (i.e. \$4 million) compared with the revised estimates of \$24.5 million last year. This includes the provision of recurrent funding for the implementation of the Capacity Building Mileage Programme to support women's learning needs and enhance their capacities. We will also assist WoC in launching the "Funding Scheme for Women's Development" to support women's groups to organise programmes that facilitate women's development.

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

– End –