

**SUPPLEMENTARY NOTE TO
ITEM FOR FINANCE COMMITTEE
[FCR(2012-13)54]**

HEAD 170 – SOCIAL WELFARE DEPARTMENT
Subhead 000 Operational expenses
Subhead 180 Social security allowance scheme

PURPOSE

Members are invited to **note** that part (a) of the funding proposal in FCR(2012-13)54 – relating to the provision of a supplementary provision for the Social Welfare Department (SWD) for the year 2012-13 to undertake the proposed Old Age Living Allowance (OALA) scheme, has been overtaken by events. Part (b) of the proposal – relating to an increase in the ceiling on the total notional annual mid-point salary value of all the non-directorate posts in the permanent establishment of SWD in 2012-13, remains valid.

UPDATE

2. The proposal on OALA was first presented to the Finance Committee (FC) for consideration vide FCR(2012-13)53 on 26 October 2012. We presented an updated FCR(2012-13)54 to the FC for consideration on 9 November 2012. We had planned on the basis that the scheme would commence within the year 2012-13 and that therefore SWD would need to seek supplementary provision for the scheme.

3. As the FC deliberations are still on-going, it would no longer be feasible for SWD to launch OALA in March 2013 as scheduled, given the need to complete the preparatory tasks. The supplementary provision of \$2,575.2 million in 2012-13 which we sought under FCR(2012-13)54 is no longer required.

4. Despite the above, SWD still intends to start the recruitment of staff to support OALA as early as possible. Hence, part (b) of the proposal in FCR(2012-13)54 remains valid. SWD will press ahead at full steam with the preparatory work for rolling out OALA once approval of the FC is secured.