

Legislative Council Panel on Welfare Services

2014 Policy Address

Policy Initiatives of the Labour and Welfare Bureau

Introduction

The Chief Executive delivered his 2014 Policy Address on 15 January 2014. This paper sets out the new and on-going welfare initiatives of the Labour and Welfare Bureau (LWB) and Social Welfare Department (SWD).

2. “Poverty alleviation, care for the elderly and support for the disadvantaged” is one of the policy priorities of this term of Government. The key to tackle the poverty problem is to encourage young people and adults to be self-reliant through employment. The poverty line announced last September has provided a clear and objective basis for reviewing the poverty situation, formulating policies and assessing the effectiveness of measures. It will be updated annually for monitoring the poverty situation and the effectiveness of policies. The Commission on Poverty (CoP) will continue to serve as the major policy platform to assist the Government in pursuing poverty alleviation initiatives. LWB will continue to work with the CoP to take forward such initiatives.

3. At the same time, we understand that some people in the community are in a relatively deprived position when facing individual or family problems owing to various factors such as economic or family circumstances. They may need temporary or more long-term assistance from the community. As regards welfare services, we will continue to address the welfare needs of different groups through various areas of services and to strengthen their resilience and develop their potential.

4. Regarding elderly care services, we are conscious of the immense challenges posed by our rapidly ageing population. To uphold the spirit of respecting, loving and caring for the elderly, we are committed to promoting the well-being of the elderly in all aspects of their life by providing them with services that will enable them to remain members of the community for as long as possible and, by making available residential care services (RCS) for those in need. We will

provide our senior citizens with dignified choices while preserving our cherished virtue of self-reliance and family support.

New initiatives

Low-Income Working Family Allowance

5. According to the analysis of poverty statistics, while the working poor households not receiving Comprehensive Social Security Assistance (CSSA) had been working hard and striving for self-reliance, they were more prone to poverty. This is because they had fewer working members, mostly engaged in lower-skill jobs and that they needed to support more children. In view of this, we propose to introduce Low-Income Working Family Allowance (LIFA) with the following policy objectives –

- (a) to relieve the financial burden of non-CSSA low-income working households;
- (b) to encourage working members in these households to stay in active employment to promote self-reliance and to prevent them from falling into the CSSA net; and
- (c) to help alleviate inter-generational poverty and promote upward social mobility in the long run.

6. The proposed LIFA is built on the following three key principles –

- (a) A basic allowance will be granted on a family basis and tied to employment and working hours to encourage self-reliance. More allowance will be granted to those who work more. Families with eligible children and young members will receive additional allowance;
- (b) To ensure that limited public resources would be used to help those households most in need, there would be an income test and an asset test for LIFA, but the thresholds would be more “generous”; and
- (c) The structure of LIFA would be as simple and easy to understand as possible, with appropriate safeguards against abuse to ensure prudent use of public resources.

7. According to our initial thinking, a beneficiary family, which is not on CSSA, must have two or more members, with at least one working for a reasonable number of hours to maintain the principle of self-reliance. LIFA comprises the Basic Allowance and the Child Allowance. There will be a two-tier system based on the applicant's working hours and his family income respectively. The former is to encourage hard work and the latter is to benefit those low-income families whose income levels are slightly higher than 50% of the median monthly domestic household income (MMDHI) with a view to preventing poverty. Considering that single parents have less family support in taking care of children, we will adopt a lower requirement for the working hours for working single parents applying for LIFA. To ensure the proper use of public resources, there would be an asset test. To encourage employment, we propose no residence requirement for LIFA and that all eligible Hong Kong residents may apply. The proposed key parameters of LIFA are set out at **Annex 1**.

8. The annual expenditure involved in implementing LIFA is estimated to be around \$3 billion per year. Over 200 000 low-income families (involving 710 000 persons) will benefit. Beneficiaries include 180 000 eligible children or young people under the age of 21. It is estimated that LIFA would reduce the overall poverty rate by 2.1 percentage points and the child poverty rate by 4.4 percentage points. We will listen to the views of the public on the proposed LIFA over the next few months, and will seek funding approval from the Legislative Council to implement the scheme in 2015.

Social Security

Old Age Living Allowance (OALA)

9. The OALA proposed in CE's Manifesto has benefited over 410 000 elderly people since it was introduced last April. We will review this measure by the end of this year to ascertain, among other things, whether the asset limits should be relaxed.

Guangdong (GD) Scheme

10. The GD Scheme launched last October allows Hong Kong elderly people residing in Guangdong Province to continue receiving the Old Age Allowance (OAA), commonly known as "fruit money", without the need to return to Hong Kong every year. The initial response to the

Scheme has been positive. By the end of last year, about 16 700 elderly people had submitted applications and about 7 000 are now receiving the allowance. This year, we will seriously explore the feasibility of extending the OALA to Guangdong in the light of the Scheme's operating experience.

Improving the CSSA Scheme

11. Poverty line analysis shows that the CSSA is effective in alleviating poverty. To keep in line with the broad policy directions of promoting upward mobility and self-reliance through employment as a means of poverty alleviation, new measures should focus on enhancing support for students receiving CSSA and increasing work incentives for adult CSSA recipients. We will implement the following measures –

- (a) increase the grants for school-related expenses for primary and secondary students of CSSA families through regularisation of a Community Care Fund (CCF) programme from the 2014/15 school year;
- (b) include post-secondary students of CSSA families in the calculation of rent allowance with effect from April 2014 so that a family's entitlement will not be affected if it has members receiving post-secondary education; and
- (c) implement a pilot incentive scheme under the CCF in line with recommendations endorsed by the CoP to encourage able-bodied CSSA recipients to leave the safety net and achieve self-reliance through employment.

12. Besides, we will provide additional rent assistance for CSSA recipients by –

- (a) regularising a CCF programme to provide rent allowance for CSSA recipients who have been Tenants Purchase Scheme flat owners for more than five years; and
- (b) inviting the CCF to provide again a one-off subsidy to CSSA households living in rented private housing and paying a rent which exceeds the maximum rent allowance under the CSSA Scheme¹.

¹ The CCF provided the relevant subsidies in 2011 and 2013 respectively.

Retirement Protection

13. As regards retirement protection, the CoP has commissioned a consultancy study by a team, with Professor Nelson Chow as the chief consultant, to assess various retirement protection schemes on the basis of the multi-pillar approach advocated by the World Bank and to make recommendations on the way forward. The team will submit a report to the CoP before mid-2014. The Government will adopt an open and pragmatic attitude when considering the way forward for retirement protection.

Strengthening Elderly Care Services

Preparing Elderly Services Programme Plan

14. The Chief Executive has tasked the Elderly Commission (EC) to prepare an Elderly Services Programme Plan (the Programme Plan) within two years.

15. To provide administrative support for EC in drawing up the Programme Plan, the Government will provide additional staffing support. We propose to create three time-limited posts in LWB, including one supernumerary post of Administrative Officer Staff Grade C (AOSGC) (D2), for a period of two years to head a dedicated team to support EC in the preparation of the Programme Plan and related matters. The main responsibilities of the proposed AOSGC post include the coordination of policy matters that cut across different bureaux/ departments; the facilitation of EC's communication, discussion; and collaboration with relevant stakeholders, etc.. We also plan to create two time-limited non-directorate posts including one Senior Administrative Officer and one Personal Secretary I for a period of two years. They will assist the proposed AOSGC in providing support for EC to take forward the preparation work for the Programme Plan. These proposed posts will also provide support to EC in exploring the feasibility of introducing Residential Care Service (RCS) voucher for the elderly as referred to in paragraphs 18 and 19 below.

Launching a pilot RCS scheme in Guangdong

16. Elderly persons naturally wish to live in a familiar environment and continue to enjoy the support of their family members, friends and neighbours. Many of them choose to stay in Hong Kong. However,

some Hong Kong elderly persons who came to Hong Kong from the Mainland at a younger age may choose to return to the Mainland after retirement, particularly those who have relatives or friends there. They may find more spacious homes and more ready personal care service at more affordable prices on the Mainland.

17. We respect the wish of those Hong Kong elderly persons who choose to retire on the Mainland, and we seek to facilitate those elderly persons who make such a choice. We will launch a pilot scheme to purchase places from an elderly home (the Hong Kong Jockey Club Shenzhen Society for Rehabilitation Yee Hong Heights) in Shenzhen which is operated by a Hong Kong non-governmental organisation (NGO) - Hong Kong Society for Rehabilitation - to provide an option for elderly persons who are on the Central Waiting List for subsidised residential care places to live in the home concerned. SWD will invite eligible elderly persons to consider joining the pilot scheme in the second quarter of 2014 and arrange placements at the home starting from the third quarter of 2014. We are also exploring similar arrangements with another home run by a Hong Kong NGO in Zhaoqing. We will review the pilot scheme in two years' time after its implementation.

Exploring the feasibility of RCS Voucher

18. We hope to offer our senior citizens more diversified choices through a wide range of new and flexible modes of subsidy and service delivery. Subsequent to the implementation of the Pilot Scheme on Community Care Service (CCS) Voucher for the Elderly in September 2013, the Chief Executive has tasked EC to explore the feasibility of introducing vouchers for RCS for the elderly and to submit its recommendations in a year's time.

19. If EC considers it viable to launch a pilot scheme on RCS voucher, the Government will provide the necessary resources. In this connection, the Government has earmarked a total of \$800 million to meet the expenses for issuing 3000 vouchers in three phases for the three-year period from 2015-16 to 2017-18. Taking into account these 3 000 vouchers, the Government will provide about 5 000 additional subsidised residential care places within the current term of office. The Government will also increase the provision of various types of elderly facilities (including residential care places) through the Special Scheme on Privately Owned Sites for Welfare Uses as referred to in paragraphs 44 and 45 below.

Promoting a continuum of care in nursing home places

20. The Government will continue to improve the quality of subsidised residential care places. At present, all subsidised Care and Attention places provide continuum of care. To allow the elderly residents in nursing homes (NHs) to be taken care of by the same home even when their health condition have deteriorated, we plan to provide additional resources to extend continuum of care to subsidised NH places.

Strengthening community support and services for elderly people and their carers

21. The Government plans to allocate additional resources to elderly centres to further strengthen the support provided for the elderly who are living in the community, including the enhancement in information dissemination and counselling services and the handling of care needs assessment and service applications. We will also enhance the support services for elderly persons with dementia and their carers by District Elderly Community Centres. Moreover, in view of the effectiveness of the District-based Scheme on Carer Training, we plan to regularise this scheme from 2014-15 onwards.

22. The Government understands that some people could not engage in the workforce as they need to take care of their frail elderly members at home. With less income, financial situations of some have turned weak. The CCF Task Force is also considering a pilot scheme on a carer allowance for the elderly.

Injection into the Elder Academy Scheme

23. To promote active ageing, LWB and EC launched in early 2007 the Elder Academy (EA) Scheme to enable the elderly to pursue continued learning in a school setting so that they can lead a more fulfilled life, and to interact more with the young generation to foster inter-generational harmony. At present, a total of 108 EAs have been set up in primary and secondary schools and tertiary institutions.

24. In 2009, the Government allocated \$10 million to set up the Elder Academy Development Foundation (EADF) to support the set-up, curriculum development, promotional activities and long-term development of EAs. To sustain development of the Scheme and explore new areas of development, we propose to inject \$50 million into the EADF. We will explore with the Committee on EADF on how to

make best use of the additional resources to enhance the Scheme, thereby enabling the elderly to better achieve active ageing through lifelong learning. Relevant details are set out at **Annex 2**.

Enhancing Rehabilitation Services for Persons with Disabilities

Promoting and implementing the United Nations Convention on the Rights of Persons with Disabilities

25. It has all along been the development direction of our rehabilitation policy to help persons with disabilities develop their potential and build a barrier-free environment with a view to enabling them to participate in full and enjoy equal opportunities in respect of both their social life and personal growth. These objectives are consistent with the spirit and core values enshrined in the United Nations Convention on the Rights of Persons with Disabilities (the Convention). Thus, promotion and implementation of the Convention is a continuation of the development direction of rehabilitation services in Hong Kong.

26. The Commissioner for Rehabilitation (C for R) is responsible to the Secretary for Labour and Welfare for the formulation of the overall rehabilitation policy for persons with disabilities, and for co-ordinating and facilitating all government departments, public organisations and NGOs in the development and provision of rehabilitation services. Following the application of the Convention to Hong Kong in 2008, C for R has henceforth taken up the role as the focal point within the HKSAR Government for matters relating to the implementation of the Convention. We propose to upgrade the ranking of C for R and strengthen the establishment of his team so as to enhance co-ordination among various policy bureaux and departments in implementing the Convention.

Provision of additional places for rehabilitation services

27. Noting the keen demand of persons with disabilities for rehabilitation services, we will continue to adopt a multi-pronged approach to actively identify suitable sites to provide more service places. During the current term of the Government, we will provide 6 200 additional places of rehabilitation services for persons with disabilities. These include 2 016 day training and vocational rehabilitation service places, 2 713 residential care service places and 1 471 pre-school rehabilitation places. The Government will also provide more rehabilitation service facilities through the Special Scheme on Privately Owned Sites for Welfare Uses as mentioned in paragraphs 44 and 45

below, with a view to relieving the service demand and shortening the waiting time.

Enhancing residential care services

28. SWD launched the four-year Pilot Bought Place Scheme for Private Residential Care Homes for Persons with Disabilities (BPS) in October 2010 to encourage private residential care homes for persons with disabilities (RCHDs) to upgrade their service standards, increase the supply of subsidised residential care places and provide more residential service options for persons with disabilities. Having regard to the stakeholders' support for BPS, the Government has decided to regularise the scheme, with the cap of subsidised places in each home raised from 55% to 70%, so as to encourage more quality RCHDs to join the BPS, thereby benefitting more persons with disabilities.

Enhancing day training and vocational rehabilitation services

29. We are mindful of the need of rehabilitation service users for a higher level of care and support owing to ageing. We will provide additional resources to day training centres for persons with disabilities to strengthen the care and support for ageing service users.

30. We have all along provided employment support and vocational training for persons with disabilities to enhance their job skills, thereby facilitating their employment, self-reliance and integration into the community. From 2014-15 onwards, we will increase the incentive payment for Sheltered Workshops and the Integrated Vocational Rehabilitation Services Centres to encourage persons with disabilities to actively attend vocational rehabilitation training.

Enhancing pre-school rehabilitation services

31. CCF launched an assistance programme in December 2011 to provide training subsidy for children from low-income families who are in need of pre-school rehabilitation services, thereby enabling them to receive self-financing services operated by NGOs and facilitating their learning and development while wait-listing for subvented pre-school rehabilitation services. We will incorporate this into the Government's regular subvented service in 2014-15.

Strengthening community support for persons with disabilities

32. To further relieve family members/ carers of their pressure in taking care of persons with disabilities, we will enhance the short-term day care and residential care services for persons with disabilities, in particular those aged 6 to 14, so that their family members/ carers may take a planned short break or attend to their personal business. This also helps to temporarily relieve the families or carers from their caring duties and alleviate their stress.

33. We will incorporate two CCF items into Government's regular subvention programme to provide subsidies to persons with severe physical disabilities living in the community for renting of medical equipment and acquisition of medical consumables. To facilitate their continued community living and integration into society, one-stop integrated support service will be provided by case managers who will coordinate and arrange appropriate services for them according to their needs.

34. SWD provides one-stop community support services for persons with disabilities, their family members/ carers through 16 District Support Centres for Persons with Disabilities. We will strengthen the manpower of the District Support Centres and introduce a case management service approach with a view to providing service users with more comprehensive and convenient support.

35. We will also provide additional funding to strengthen the manpower of the Multi-service Centres for the Hearing Impaired Persons and the Social and Recreational Centres for the Disabled which are offering sign language interpretation service, with a view to enhancing sign language interpretation services for persons with hearing impairment.

36. To promote the spirit of self-help and mutual help among persons with disabilities and their families, SWD has since 2001 been providing funding support to Self-help Organisations (SHOs) of persons with disabilities/ chronic illness through the "Financial Support Scheme for Self-help Organisations of People with Disabilities/ Chronic Illness". Under the Scheme, programmes/ activities are organised to foster full integration of persons with disabilities into the community. We will increase the allocation to the Scheme to better support the operation and development of the SHOs of persons with disabilities/ chronic illness.

Strengthening support for athletes with disabilities

37. In 2001, the Government allocated \$50 million to set up the Hong Kong Paralympians Fund to foster the development of sports for persons with disabilities by providing financial assistance to athletes with disabilities in various stages of their sporting career. Under the Fund, grants are disbursed to the following categories of programmes: (i) development of target sports; (ii) subsistence grant to athletes with disabilities; and (iii) employment facilitating grant for retired athletes with disabilities. The Fund has well achieved its objectives. Over the past decade, athletes with disabilities have excelled in international events. At the London 2012 Paralympic Games, the Hong Kong delegation won a total of 12 medals, marking another climax of achievement by Hong Kong athletes with disabilities in the international sports arena.

38. We propose to inject \$200 million into the Fund to ensure its sustainability and strengthen support for athletes with disabilities to facilitate the development of budding athletes with disabilities to their full potential. Details of the proposal are at **Annex 3**.

Promoting employment for persons with disabilities

39. Employment is instrumental in facilitating integration of persons with disabilities into the community. The Government will set an example and work with the commercial sector and NGOs to further enhance the employment opportunities and unleash the potential of persons with disabilities, with a view to fostering an inclusive culture and building a caring society.

40. LWB, in collaboration with the Rehabilitation Advisory Committee, the Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities, are taking forward the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme (the Scheme) to mobilise the Government, business sector, as well as the public and subvented bodies to implement a host of sustainable measures (including employing persons with disabilities; procuring the products or services provided by them; providing on-the-job training opportunities for them; creating an inclusive workplace and providing a barrier-free working environment and assistive devices; setting aside shops or stalls, etc.) to promote the employment of persons with disabilities. The Special Needs Groups Task Force under the Commission on Poverty will also explore other

feasible and effective measures to further promote employment of persons with disabilities.

Extending the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

41. Since the launch of the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme), the number of average daily passenger trips so far is 670 000, with around 590 000 trips (88%) made by the elderly and around 80 000 trips (12%) made by eligible persons with disabilities.

42. We will extend the Scheme to children with 100% disabilities aged below 12 receiving CSSA or Disability Allowance in the first half of this year. Following such extension, eligible persons with disabilities, regardless of age can travel on general MTR lines, franchised buses and ferries at a concessionary fare of \$2 per trip.

43. In addition, we are exploring with the trade and Octopus Cards Limited ways to resolve the technical and operational problems involved with a view to extending the Scheme to green minibuses in phases starting from the first quarter of 2015.

Social Welfare Planning

Implementing the Special Scheme on Privately Owned Sites for Welfare Uses

44. Over the past year, LWB, together with the social welfare sector, has actively followed up the idea raised by the Chief Executive in his last Policy Address on optimising the use of land and utilising the Lotteries Fund (LF) in a flexible manner; and formulated the Special Scheme on Privately Owned Sites for Welfare Uses (Special Scheme). Through the more flexible use of LF and the provision of more targeted assistance during the planning and development process, the Special Scheme encourages social welfare organisations to put their land to better use through in-situ expansion or redevelopment and to provide more diversified services and self-financing facilities, in particular facilities for elderly and rehabilitation services.

45. The Government invited applications for the Special Scheme from social welfare organisations in September 2013 and the response was overwhelming. LWB received preliminary proposals from about 40

organisations involving about 60 in-situ expansion or redevelopment projects. Based on the rough estimation of these organisations, the Special Scheme will provide about 17 000 additional service places in total for the elderly and persons with disabilities. On this, we plan to arrange for the transfer of funds of \$10 billion into LF and provide the necessary assistance to ensure that this major social welfare infrastructure programme will be implemented smoothly. The details are set out at **Annex 4**.

Human resources in care services

46. To provide the younger generation with more employment options and long-term development in their career paths, as well as to cope with the pressing demand for care personnel in the social welfare sector, having consulted the Elderly Commission and received the support of the elderly services sector, we launched a pilot scheme through LF in 2013 to recruit young people to provide care services at residential care homes for the elderly. Apart from receiving on-the-job training, those young employees will also be provided with subsidies from the Government to pursue a two-year part-time Diploma in Health Studies (Community Health Care) course offered by the Open University of Hong Kong. After completing the course, they could be promoted to a higher position and may move up their career ladder in the welfare sector. The response to the pilot scheme is positive.

47. The Government will allocate additional resources to expand the pilot scheme to include more elderly services units and to cover rehabilitation services, providing an additional 1 000 places for young people who have graduated from Secondary 5 or Secondary 6 level in the coming few years.

Enhancing the Lump Sum Grant Subvention System

48. We understand that the social welfare sector is concerned about the operation and effectiveness of the Lump Sum Grant Subvention System. The Government also attaches great importance to this. In order to further enhance the Lump Sum Grant Subvention System, the Government will increase the annual recurrent funding to strengthen central administrative support to enhance NGOs' corporate governance; and strengthen their supervisory support to enhance the quality of frontline service. The Government will also increase provision for "Other Charges" in the Lump Sum Grant subvention to help NGOs cope with other operating expenses including food costs. Furthermore, the

Government will provide additional resources to enable NGOs to recruit and retain paramedical staff more effectively or in hiring paramedical services. This will facilitate NGOs' long-term planning to meet their individual service and development needs. The above measures will incur additional recurrent expenditure of about \$470 million in 2014-15.

49. In addition, the Government will also allow NGOs to transfer the surplus from their Provident Fund reserve for Snapshot Staff to their Provident Fund reserve for non-Snapshot Staff so as to improve NGOs' contributions to the latter's Provident Fund.

Development of Women

50. The Government, in collaboration with the Women's Commission (WoC), will continue to promote the well-being and interests of women through a three-pronged strategy, viz. the provision of an enabling environment, empowerment of women and public education. In 2014-15, we will continue to promote gender mainstreaming as well as encourage Government departments and other organisations to consider the needs and concerns of both genders in the decision-making process, so that women and men can have equitable access to, and benefit from, society's resources and development opportunities.

51. The Government attaches importance to the social participation of women, including employment and the part they play in other areas. As quite a number of women homemakers are prepared to rejoin the labour market, the way to help women combine family and work is one of the issues addressed by the public engagement exercise on population policy. LWB and the WoC both take women's right to work seriously and strive to provide a facilitating environment and measures. We are conducting a survey to find out the reasons why Hong Kong women leave the labour market and the factors that attract them to take up employment again. The findings will help the Government consider measures that further promote women employment. The survey is expected to be completed by the end of 2014.

Strengthening Day Child Care Services

52. To support parents who are unable to take care of their children temporarily because of work or other reasons, SWD has all along been providing subsidies to NGOs to run a variety of child care services for children below the age of six. To further respond to the community demand for child care services, and to provide services with more

flexibility, the Government will enhance the Neighborhood Support Child Care Project from 2014-15, including –

- (a) lifting the age limit of service beneficiaries from under 6 to under 9;
- (b) providing additional places for home-based child care service; and
- (c) increasing funding to operators to enhance social work support for the service.

53. Moreover, to enhance the after-school care services currently provided by NGOs for children aged 6 to 12, SWD will, starting from 2014-15, allocate additional resources to some of the operators running the service to extend the service hours of some after-school care centres on weekday evenings, Saturdays, Sundays and school holidays, as well as to provide additional fee-waiving and fee reduction quotas across the territory.

Support for the Whole-person Development of Children and Youth

Injection into the Partnership Fund for the Disadvantaged

54. The Partnership Fund for the Disadvantaged (PFD) was set up in 2005 to promote tripartite partnership among the welfare sector, the business community and the Government with a view to helping the disadvantaged. By November 2013, PFD has already approved approximately \$269 million² and benefitted over 1 million disadvantaged persons.

55. The Government plans to inject \$400 million into PFD to encourage further cross-sectoral collaboration to launch projects that can cater for the various needs of the disadvantaged. Of this sum, \$200 million will be dedicated to provide more after-school learning and support initiatives for primary and secondary school students from grassroot families. Such initiatives aim to enhance the learning capability and life-planning skills of the children and youth concerned, and thereby reducing the risk of inter-generational poverty.

² The total project grant totals to approximately \$553 million including the donation from business partners.

Providing additional resources for the Child Development Fund

56. Since its establishment in 2008, the Child Development Fund (CDF) has provided suitable induction to underprivileged children to widen their horizons and enhance their exposures, help them develop a saving habit and plan for the future. Up till now, CDF projects have already benefitted more than 6 000 underprivileged children. The Government proposes to earmark an additional \$300 million for CDF in the next financial year to ensure the sustainable development of CDF projects. Apart from having NGOs to operate CDF projects, we will pilot the school-based approach to strengthen the community's capability in supporting CDF projects and extend the reach of projects with a view to benefiting more children from a disadvantaged background.

On-going Initiatives

Poverty Alleviation Measures under LWB

Continuing to implement Short-term Food Assistance Service

57. The objective of the "Short-term Food Assistance Service" is to provide short-term food assistance for needy people who temporarily cannot cope with the basic food expenses. By the end of November 2013, the scheme had already served over 137 000 people. In October 2013, SWD introduced enhancements to the service, including extension of the service period for beneficiaries and increase the funding for service operators. We will continue to implement the service.

Review on the Disability Allowance

58. LWB has established an inter-departmental working group to study the proposal to allow people with loss of one limb to apply for Disability Allowance and related issues. The Working Group has commissioned a university to study experience outside Hong Kong and will also make reference to the results of the survey findings on persons with disabilities to be completed by the Census and Statistics Department later this year. The study is expected to be completed by the end of 2014.

Continuing to implement the integrated employment assistance service programmes under the CSSA Scheme

59. To integrate and improve the employment assistance services under the CSSA Scheme so as to enhance effectiveness and synergy, SWD launched the “Integrated Employment Assistance Programme for Self-reliance” on 1 January 2013. Through the integrated programme, NGOs are providing employable CSSA recipients with multifarious and one-stop employment assistance services on a family basis and according to their individual needs so as to enhance their employability and help them become self-reliant.

Elderly Care Services

Implementing the Pilot Scheme on CCS Voucher for the Elderly and strengthening CCS

60. SWD has secured \$380 million from the Lotteries Fund to introduce the First Phase of the Pilot Scheme on CCS Voucher for the Elderly (Pilot Scheme) in September 2013. During the First Phase of the Pilot Scheme, which lasts for two years, a total of 1 200 vouchers will be issued. There are 62 Recognised Service Providers providing day care services and home care services in eight districts³. As at end-December 2013, more than 750 eligible elderly persons have been participating in the Pilot Scheme. SWD will continue to closely monitor the implementation of the Pilot Scheme and consider how best to take forward the Second Phase. We will continue to provide additional resources to increase other subsidised CCS places.

Improvement Programme of Elderly Centres (IPEC)

61. The Government will continue to implement IPEC to enhance the physical setting and facilities of 237 elderly centres. As at December 2013, the Lotteries Fund Advisory Committee had approved 64 applications. Relevant works have commenced in succession. Altogether 14 renovated elderly centres were re-opened for service with a new look.

³ The First Phase of the Pilot Scheme covers eligible elderly persons in eight districts, namely Eastern, Wong Tai Sin, Kwun Tong, Sham Shui Po (Recognised Service Providers in Sham Shui Po district will serve the elderly persons living in Sham Shui Po as well as those in Kowloon City and Yau Tsim Mong districts), Shatin, Tai Po, Tsuen Wan and Tuen Mun.

Increased subsidised residential care places

62. We will continue to increase the supply of subsidised residential care places for the elderly through a multi-pronged approach. Apart from the Special Scheme on Privately Owned Sites for Welfare Use as mentioned in paragraphs 44 and 45 above, we will further purchase places from private residential care homes for the elderly through Enhanced Bought Place Scheme, make better use of space in subvented homes and construct new contract homes for provision of more subsidised places.

63. We will also continue to explore the option of redeveloping Wong Chuk Hang Hospital to provide more residential care places for the elderly as well as other welfare facilities. SWD will conduct technical feasibility study for the redevelopment project in due course this year.

Training of nurses for the welfare sector

64. To alleviate the problem of nurse shortage in the welfare sector, SWD, in collaboration with the Hospital Authority, has been running a two-year full-time programme to train enrolled nurses for the welfare sector since 2006. A total of 12 classes have been organised so far, providing about 1 500 training places. The trainees of the first six classes have graduated and about 90% of them have joined the welfare sector. There will be 10 new classes organised between 2013-14 and 2017-18, providing a total of 1 240 training places. The first class has already commenced in October 2013.

Rehabilitation Services

Enhancing the services of the Integrated Community Centres for Mental Wellness

65. In 2010, the Government allocated about \$135 million to revamp the existing community mental health services and set up Integrated Community Centres for Mental Wellness in all 18 districts. One-stop community support services ranging from prevention to risk management are provided to discharged mental patients, persons with suspected mental health problems, their families and carers as well as residents living in the serving district. From 2011-12 to 2013-14, the Government further allocated a total of about \$60.5 million, bringing the annual allocation to over \$190 million for these centres. In 2014, we will continue to

strengthen the manpower of these centres to dovetail with the Hospital Authority's "Case Management Programme" for patients with severe mental illness and provide service to more people in need.

Strengthening the home care service for persons with severe disabilities

66. The Government has, since March 2011, launched a three-year Pilot Scheme on Home Care Service for Persons with Severe Disabilities (Pilot Scheme) to provide a package of home-based care service for persons with severe disabilities who are living in Kwun Tong, Wong Tai Sin, Kwai Tsing and Tuen Mun districts and on the waiting list for subvented residential care services. The Pilot Scheme has proven to be a success and has been well received by the users. To help persons with severe disabilities live in and integrate into the community and relieve the stress of their carers or families, the service will be regularised in March 2014 upon the expiry of the Pilot Scheme, and at the same time be extended to persons with severe disabilities in all districts, irrespective of whether they are on the waiting list for residential care services.

Enhancing the Rehabus service

67. To meet the special transport needs of persons with disabilities, the Government has all along been subsidising an NGO to provide point-to-point Rehabus service for persons with disabilities who have difficulties in using public transport. The Government will continue to review the service needs from time to time. In the past three years, a total of 16 new rehabuses were procured, thereby increasing the fleet to 135. Having regard to the keen demand for Rehabus service, the Government will continue to allocate additional resources to increase the fleet size and strengthen the manpower with a view to further enhancing the Rehabus service.

Family and Child Services

Combating Domestic Violence

68. The Government has adopted a zero tolerance approach for domestic violence and has been dealing with the problem through a three-pronged strategy, viz. preventing domestic violence, supporting victims of domestic violence and providing specialised services and crisis intervention. We will continue to enhance specialised and support services, including providing various support services for victims of domestic violence as appropriate as well as designing suitable treatment

models that cater for the needs of different types of batterers, their spouses/ cohabitants and children.

Strengthening Residential Child Care Services

69. In order to help children who cannot be adequately cared for by their families temporarily, as well as young people with behavioural or emotional problems, the Government has been subventing NGOs to provide various types of residential child care services, in particular non-institutional services of foster care service and small group homes. We will continue to enhance the residential child care services by increasing in phases the number of places for relevant services.

Following up on the Law Reform Commission Report on Child Custody and Access

70. The Law Reform Commission (LRC) published its Report on Child Custody and Access in 2005, recommending the introduction of a new “parental responsibility model” into Hong Kong’s family law to replace the custody and access arrangements under the existing family law. We have conducted a public consultation exercise on LRC’s recommendations in end 2011 and reported the results of the public consultation and proposed the way forward to this Panel in July 2013. LWB, the Department of Justice and other concerned departments have commenced follow-up work of the Report. Upon working out the detailed legislative and administrative proposals, we will further engage stakeholders and interested parties before embarking on legislation.

Conclusion

71. The Government has invested vast resources in social welfare. The recurrent expenditure in this financial year (i.e. 2013-14) is estimated to be \$55.7 billion, accounting for 19.1% of the recurrent expenditure of the Government as a whole. This demonstrates the importance that the Government attaches to social welfare and our commitment to it. The Government hopes to plan for and deliver targeted social welfare services through continually enhancing co-operation with the social welfare and business sectors, and the community at large, in establishing cross-sectoral network and collaboration.

Labour and Welfare Bureau
Social Welfare Department
January 2014

**Low-Income Working Family Allowance (LIFA)
Proposed Key Parameters**

Eligibility

- Applicant families must meet the income limit of the scheme;
- Applicant families must meet the asset limit of the scheme which largely follows the asset limit of public rental housing;
- Applicants must meet the working hour requirement of the scheme; and
- Size of the applicant families must be two or above.

Design of the Allowance

- The scheme will be a two-tiered system based on working hours and family income respectively. If the income of a family is equivalent to or below 50% of the median monthly domestic household income (MMDHI) and the applicant is a working member who meets the working hour threshold, this family will be eligible for a full basic allowance of \$600 or \$1,000 per month depending on the working hour tier to which it belongs.
- If the applicant family has eligible children, and the household income is at or below 50% of MMDHI, the family may receive a monthly child allowance of \$800 for each eligible child.
- To help prevent poverty, low-income working families with a monthly income slightly higher than 50% of MMDHI may receive half-rate allowance.

Elder Academy Development Foundation (EADF)

Background

To promote active ageing, the Labour and Welfare Bureau and the Elderly Commission (EC) launched in early 2007 the Elder Academy (EA) Scheme to enable the elderly to pursue continued learning in a school setting so that they can lead a more fulfilled life. In view of the aspiration of some elderly to study in university, the EA Scheme was expanded in 2008 to tertiary institutions to allow elderly persons to take part in academic and multi-disciplinary courses.

2. In 2009, the Government allocated \$10 million to set up the EADF for the continued development of the EA Scheme and established the Committee on EADF (the Committee) under the EC. The Committee is responsible for devising strategy and measures relating to the set-up, curriculum design, extra-curricular activities and development of EAs. To further support the EAs, the Committee provided funding from the EADF for setting up the New Territories West Elder Academies Cluster (NTWEAC) in 2011. The Cluster organises and coordinates courses, operation and activities of EAs in New Territories West area.

Current Situation

3. There are three types of funding allocated by the EADF, which include funding support for the setting up of EAs in primary and secondary schools, support for the setting up of EAs in tertiary institutions, and funding support for various activities that encourage elderly learning and inter-generational harmony. The EADF also accepts donation from external parties. Over the past four financial years (2010-11 to 2013-14), the EADF allocated about \$5.7 million of funding for the aforementioned three types of applications. At present, the EADF has a balance of about \$15 million, accounted for by the set up funding of \$10 million and outside donation received and deducting the allocated funding.

4. According to the current funding arrangements of the EADF, the Committee provides a three-year funding of \$80,000 to collaborating school sponsoring bodies/ schools and welfare organisations for the setting up of EAs in primary and secondary schools. The EAs may make use of the funding to procure equipment, organise courses, set up

Elder Academy Management Committees, and organise inter-generational activities and related promotional activities. As for the EAs set up in tertiary institutions, since these institutions generally require more resources to provide courses when compared with primary and secondary schools, the amount of funding for these institutions will be considered according to the contents of individual funding proposals. Tertiary institutions may make use of the funding to organise thematic short courses that meet the interests and needs of the elderly and recruit academic staff and students to serve as tutors and teaching assistants respectively. Some tertiary institutions also make use of the funding to provide sit-in programmes, allowing the elderly to sit in undergraduate courses. The EADF also provides funding for various activities that encourage elderly learning and foster inter-generational harmony, such as the biennial Elder Academy Sports Day and a wide range of activities organised by the NTWEAC that encourage the elderly to pursue learning across districts.

5. To sustain development of the EA Scheme and explore new scope of development, we propose to inject \$50 million into the EADF. We will explore with the Committee on how to make best use of the additional resources to enhance the Scheme through reviewing the operating experience of EAs in the past.

Hong Kong Paralympians Fund

Background

In June 2001, the Finance Committee (FC) approved a one-off injection of \$50 million to set up the Hong Kong Paralympians Fund (the Fund) to enhance but not replace the prevailing support provided by the Hong Kong Sports Institute Limited⁴ to athletes with disabilities during various stages of their sporting career and after their retirement.

Current Situation

2. The Fund disburses grants to the following programmes –

(a) Development of target sports

The Fund provides grants to sporting associations for hiring coaches and enhancing technical support for target sports programmes with a view to assisting the athletes with disabilities in international competitions such as Paralympic Games and World Championships.

(b) Subsistence grant to athletes with disabilities

The Fund provides direct financial assistance to athletes with disabilities so that they can resign from work, take unpaid leave, work part-time or temporarily suspend their study to pursue sporting excellence.

(c) Employment facilitating grant for retired athletes with disabilities

The Fund provides a time-limited grant to assist retired athletes with disabilities in their job attachment in sports related field, other suitable employment or vocational training.

⁴ The Hong Kong Sports Development Board (HKSDB) was the former statutory body responsible for promoting the development of sport in Hong Kong until its dissolution on 1 October 2004, followed by the establishment of the Hong Kong Sports Institute Limited on the same day which took up the role of HKSDB in sports elite training and sports development in Hong Kong.

3. Setting up the Fund was one of the Government's initiatives in enhancing the self-reliance and self-esteem of persons with disabilities and facilitating their integration into the community through development of their sporting talents. The Fund is administered by the Social Welfare Department (SWD) and overseen by a Management Committee (MC) with the assistance of a Grants Sub-committee (GSC). Both committees comprise mainly non-officials from the sports and rehabilitation sectors. The MC reviews the financial position of the Fund and advises the Director of Social Welfare (DSW), acting as the Trustee, the maximum allocation for each financial year and the apportionment of grants among the three above-mentioned programmes. The GSC then assists in assessing the applications for subsistence grants and employment facilitating grants having regard to the overall annual allocation.

4. The Fund has well achieved its objectives. Over the past decade, athletes with disabilities have excelled in major international events. At the London 2012 Paralympic Games, Hong Kong delegation achieved outstanding results and won a total of 12 medals.

5. Up to 2013-14, the Fund had approved 103 applications from four sporting associations for their development of 16 target sports, with grants amounting to \$21.29 million. The Fund had also approved 890 applications for the subsistence grant to athletes with disabilities and five applications for the employment facilitating grant for retired athletes with disabilities, involving grants amounting to \$16.58 million and \$0.45 million respectively. The number of applications and the disbursement of grants in the past five years are set out below –

Year	Total number of applications	Amount of grants applied in eligible applications (million)	Grants disbursed (million)
2009-10	108	3.96	3.96
2010-11	112	5.27	3.76
2011-12	111	5.37	2.96
2012-13	100	6.06	2.8
2013-14	93	4.72	2.99

6. To prevent the Fund from being depleted rapidly, it was stipulated upon the establishment of the Fund that the total annual allocation should be no more than three times of the projected return⁵ for

⁵ The return is from the investment of the capital in stocks, bonds and time deposits, etc..

that year and a reserve of \$30 million should be maintained at all times. In the past few years, there has been continued keen demand for grants under the Fund owing to the increase in the types of target sports and the excellent performance of athletes with disabilities in international sport events. However, as a result of international economic downturn in recent years, the investment return of the Fund has decreased and has been insufficient to cater for the funding need. In order to maintain a steady level of grants in each year to meet the demand, SWD deployed its departmental resources to inject \$3.5 million and \$1.94 million into the Fund in 2009-10 and 2011-12 respectively. At present, the Fund has a balance of \$32.31 million. According to the latest financial projection for the Fund conducted in 2013, the maximum allowable allocation, if based on three times of the projected income, will be decreased to around \$1.85 million and \$1.97 million for 2014-15 and 2015-16 respectively. These represent a drastic drop as compared with the allocation of \$3 million in 2013-14. Furthermore, in the case of 2015-16, in order to maintain a reserve of \$30 million, the amount available for allocation will be further reduced to \$1.63 million which is less than three times of the projected income.

7. To address the problem of anticipated decrease in allocation, the MC supports capital injection into the Fund and revision of the allocation principles to sustain the continued operation of the Fund and strengthen support for athletes with disabilities. Based on the records in the past five years, the Government estimates that the demand for allocation from athletes with disabilities and relevant sporting associations will amount to about \$5 million annually. In this connection, the Government proposes to create a new non-recurrent commitment of \$200 million for injection into the Fund as seed money to generate additional return from investment. The allocation principle will also be revised so that the projected investment return to be generated from the capital of the Fund will be used as the ceiling for allocation for that year, and that the requirement for the Fund to maintain a reserve of \$30 million at all times would be removed. The revised allocation principle will also allow the Fund to have a more steady projected investment return, thereby enhancing the support for athletes with disabilities.

Transfer of Funds into the Lotteries Fund

Background

At present, non-governmental organisations (NGOs) may apply for funds under the Lotteries Fund (LF) to subsidise the basic construction works in connection with the welfare services provided by them, including non-recurrent commitments for construction, fitting-out, renovation, repair and maintenance works as well as purchase of furniture and equipment (F&E).

2. The actual closing balance of LF for 2012-13 was \$10.2283 billion. The closing balance in the original estimate for 2013-14 is \$10.4094 billion. In the past five years (2008-09 to 2012-13), the average revenue of LF and the average LF expenditure amounted to about \$1.6 billion⁶ and \$800 million per year respectively. Although there is surplus in the LF in the past five years, the income and expenditure in the future will depend on the progress of projects in action/ planned for and the situation of actual revenue.

Current Situation

3. The Chief Executive said in his 2013 Policy Address that the Government would seek to optimise the use of land owned by NGOs and utilising LF in a flexible manner, and through in-situ expansion or redevelopment, to provide diversified subvented and self-financing facilities. We will also provide more targeted assistance to land owners during the planning or development process. LWB has been actively following this up with the social welfare sector, and launched in September 2013 the Special Scheme on Privately Owned Sites for Welfare Uses (Special Scheme). It encourages social welfare organisations to put their land to better use through in-situ expansion or redevelopment to provide the necessary welfare facilities, in particular elderly and rehabilitation facilities which are in great demand.

4. The response to the Special Scheme from social welfare organisations was overwhelming. LWB and relevant Government departments are actively processing the preliminary proposals from about

⁶ The proceeds from the Mark Six Lottery (approximately 70%) are the main source of revenue of the Lotteries Fund. Other sources of income include net proceeds of auctions of vehicle registration marks, investment income and donation.

40 organisations, which involve about 60 in-situ expansion, redevelopment or development projects. The preliminary proposals are at different planning stages. Subject to the completion of necessary planning procedures (e.g. planning permission, lease modification, etc.) of these projects, it may take several years or even longer to implement them. Based on the rough estimation of the applicant organisations, if all the proposals received under the Special Scheme could be implemented smoothly, it is estimated that about 17 000 additional service places will be provided for the elderly and persons with disabilities. This will effectively relieve the pressure on service demand and shorten the waiting time. It is also important to note that the Special Scheme will provide a concrete basis for medium to long-term welfare planning.

5. Assuming that all proposals under the Special Scheme are technically feasible, the amount of LF required will be at a rough estimate of \$20 billion. As the projects are at different planning stages and are expected to proceed at different pace, the cashflow under the Special Scheme should provide a certain degree of flexibility. To ensure that the projects under the Special Scheme will be planned with a higher degree of certainty of resource availability, as well as avoiding affecting other LF projects, we propose to arrange for the transfer of funds of \$10 billion into LF to ensure the availability of sufficient resources to implement the feasible projects under the Special Scheme and other projects within the remit of LF.