

Legislative Council Panel on Welfare Services

Programmes and Initiatives Relating to the Purview of the Panel on Welfare Services Set Out in the 2014-15 Budget

Purpose

The Financial Secretary delivered the 2014-15 Budget (the Budget) on 26 February 2014. The Budget fully supports in terms of financial resources the 2014 Policy Address delivered by the Chief Executive last month. This paper sets out the welfare initiatives covered by the Budget and other major initiatives that are planned to be implemented from 2014-15 onwards.

The Estimated Expenditure on Social Welfare in 2014-15

2. The recurrent government expenditure on social welfare in 2014-15 is estimated to reach \$56.9 billion, representing a 9.7% increase over the figure of \$51.9 billion in 2013-14. Social welfare expenditure accounts for about 18.5% of the total recurrent government expenditure in 2014-15, just after education.

Elderly Services

3. From 2014-15, we propose to increase annual expenditure with an additional recurrent funding of more than \$660 million with a view to enhancing the standard of existing elderly services and providing additional service places. This covers –

(A) ***Strengthening community support and services for elderly persons and their carers (Total additional annual recurrent provision is about \$336 million)***

(a) some \$53 million to 41 District Elderly Community Centres (DECCs) and 119 Neighbourhood Elderly Centres (NECs) (including a new NEC which will commence service in March 2014) for employing more social workers

with a view to strengthening the support provided for elderly persons living in the community. The support services include enhancement in information dissemination, counselling services and the handling of care needs assessment and service applications;

- (b) some \$82.5 million additional subvention to 51 Social Centres for the Elderly for raising their standard of services to that of NECs, and for employing more social workers to assist in service delivery;
- (c) some \$22 million for 41 DECCs to employ more social workers, with a view to enhancing the support services for elderly persons with dementia and their carers;
- (d) some \$6.7 million for regularising the District-based Scheme on Carer Training, with the funding used for organising training activities for carers by 211 subvented elderly centres; and
- (e) some \$172 million for providing an additional 1 500 places of the Enhanced Home and Community Care Services (EHCCS) from March 2015 onwards. We will integrate the major service content of the Pilot Scheme on Home Care Services for Frail Elders to EHCCS and implement strengthened integrated home-based care services, so as to further enhance the support and care to frail elderly persons living at home.

(B) *Providing additional residential care places and enhancing the quality of residential care homes for the elderly (Total additional annual recurrent provision is about \$325 million)*

- (a) some \$130 million for raising the unit subsidy of all the 4 700 EA1 and 3 400 EA2 places under the Enhanced Bought Place Scheme (EBPS) and all the 380 places under the Nursing Home Place Purchase Scheme with a view to strengthening the care and support of these homes to elderly concerned;
- (b) some \$75 million for extending the continuum of care (COC) arrangement to subsidised nursing home (NH) places through the upgrading of more than 1 570

subvented NH places to places with COC. It is also proposed to increase the subsidy for a total of 236 subsidised residential care places at three new contract homes to provide continuum of care and end-of-life care services;

- (c) some \$85 million for the provision of 554 new subsidised residential care places through the construction of two new contract homes, purchase of additional EA1 places under EBPS and making better use of space in subvented and contract homes; and
- (d) some \$35 million for implementing the Pilot Residential Care Service Scheme in Guangdong. Actual expenditure will depend on the number of intakes of eligible elderly persons.

4. We have already tasked the Elderly Commission (EC) to prepare an Elderly Services Programme Plan within two years. Meanwhile, EC will also explore the feasibility of introducing a residential care services (RCS) voucher for the elderly. About \$800 million has been earmarked for issuing a total of 3 000 RCS vouchers in phases over three years starting from 2015-16. Separately, the Finance Committee of the Legislative Council (LegCo) approved on 21 February 2014 an injection of \$10 billion to the Lotteries Fund (LF) for the implementation of the Special Scheme on Privately Owned Sites for Welfare Users (the Scheme) to increase service places for the elderly and persons with disabilities. Details of the Scheme are set out in the LC Paper No. CB(2)799/13-14(03) and LC Paper No. CB(2)927/13-14(01).

Enhancing Rehabilitation Services for Persons with Disabilities

5. We propose to allocate an additional annual recurrent expenditure of about \$360 million from 2014-15 onwards for the continued enhancement of rehabilitation services for persons with disabilities, thereby facilitating the development of the potential of persons with disabilities and their full integration into the community. This covers –

- (a) some \$152 million for regularising three Community Care Fund programmes, including provision of a training subsidy for children with disabilities from low-income

families to pay for self-financing services while waitlisting for subvented pre-school services; and provision of subsidies for persons with severe physical disabilities living in the community to cover their expenses for renting medical equipment and purchase of medical consumables, and provide one-stop integrated support services co-ordinated by case managers in accordance with their needs;

- (b) some \$93 million for increasing the manpower of day training centres for persons with disabilities to strengthen the care and support for ageing service users;
- (c) some \$40 million for regularising the Pilot Bought Place Scheme for Private Residential Care Homes for Persons with Disabilities, with the cap of subsidised places in each home raised from 55% to 70% and the number of places to be bought increased from 300 to 450;
- (d) strengthening community support for persons with disabilities by allocating additional funding of about \$23.8 million to provide 442 additional places of short-term day and residential care services for persons with disabilities aged 6 or above; around \$10.6 million to strengthen the manpower of the District Support Centres for Persons with Disabilities and introduce a case management service approach; \$2.57 million to enhance sign language interpretation services for persons with hearing impairment; and \$5.28 million to enhance the support for the operation and development of self-help groups;
- (e) some \$21.6 million for providing 331 additional rehabilitation services places for persons with disabilities;
- (f) some \$9.3 million for enhancing the services of the Integrated Community Centres for Mental Wellness with a view to dovetailing with the Hospital Authority's "Case Management Programme" and providing service to more people in need; and
- (g) \$2.34 million for upgrading the Commissioner for Rehabilitation post and strengthening the establishment of

the Commissioner's team to enhance co-ordination among various bureaux and departments in implementing the United Nations Convention on the Rights of Persons with Disabilities.

6. Moreover, the Government will allocate an additional funding of \$17.4 million¹ in 2014-15 for procuring 6 new buses, replacing 7 existing ones of high vehicle age, and employing additional drivers and management staff to further enhance the Rehabus service.

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

7. The Chief Executive announced in his 2014 Policy Address that the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme) would be extended to eligible children with disabilities aged below 12² in the first half of this year, and that the Scheme would be extended to green minibuses in phases starting from the first quarter of 2015. These two extension plans will involve an annual expenditure of around \$176 million. We are working proactively with the public transport operators concerned and Octopus Cards Limited on the preparatory work.

Improving the Comprehensive Social Security Assistance (CSSA) Scheme

8. Regarding the CSSA Scheme, based on the established adjustment mechanism, we have increased since 1 February 2014³ the standard payment rates and the levels of maximum rent allowance by 4.1% and 6.5% respectively. In addition, the annual recurrent expenditure of the CSSA Scheme will be increased by about \$126 million from 2014-15 onwards to support a number of targeted measures to improve the CSSA Scheme as announced in the 2014 Policy Address. This covers –

¹ Consisting of \$13.2 million for capital expenditure and \$4.2 million for recurrent expenditure.

² Severely disabled children receiving Comprehensive Social Security Assistance or Disability Allowance.

³ On the same date, the rates of Old Age Allowance and Disability Allowance under the Social Security Allowance Scheme were adjusted upward by 4.1%, whereas the rate of Old Age Living Allowance was adjusted upward by 3.8%.

- (a) some \$90 million for increasing the amount of flat-rate grant for selected items of school-related expenses for primary and secondary CSSA students by \$1,000 from the 2014/15 school year. This would benefit about 90 000 CSSA students;
- (b) some \$26 million for including post-secondary students of CSSA families in the calculation of rent allowance with effect from 2014-15 so that a family's entitlement will not be affected if it has members receiving post-secondary education. This would benefit about 2 600 CSSA families; and
- (c) some \$10 million for providing rent allowance with effect from 2014-15 for CSSA recipients who have been Tenants Purchase Scheme flat owners for more than five years. This would benefit about 1 000 CSSA families.

One-off Relief Measure

9. In order to further assist the grassroots in coping with short-term financial pressure, the Budget proposes the provision of an extra allowance to CSSA recipients, which is equal to one month of the standard rate CSSA payments, and an extra allowance to Old Age Allowance⁴, Old Age Living Allowance and Disability Allowance recipients, which is equal to one month of the allowances. This will involve an additional expenditure of \$2.7 billion, benefitting about 1.2 million recipients.

Low-Income Working Family Allowance (LIFA)

10. With a view to relieving the financial burden and promoting self-reliance of non-CSSA low-income working households, the Chief Executive proposed in his 2014 Policy Address the introduction of LIFA. The Government has earmarked \$3 billion for the proposed LIFA. Over 200 000 low-income families, involving 710 000 persons, are expected to benefit from LIFA. We are listening to the views of the public on the proposed LIFA and will then seek funding approval from the LegCo to implement LIFA in 2015.

⁴ Including recipients under the Guangdong Scheme.

Enhancing the Lump Sum Grant Subvention System

11. To further enhance the Lump Sum Grant Subvention System, the Government will increase the annual recurrent funding to strengthen central administrative and supervisory support to non-governmental organisations (NGOs), and increase provision for “Other Charges” in the Lump Sum Grant subvention to help NGOs cope with other operating expenses including food costs. The Government will also provide additional resources to enable NGOs to recruit and retain paramedical staff more effectively or in hiring paramedical services. The above enhancement initiatives will incur an additional recurrent expenditure of about \$470 million in 2014-15. 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.

Human Resources in Care Services

12. To cope with the demand for care personnel and provide the younger generation with more employment options, we launched a “first-hire-then-train” pilot scheme through LF in 2013 after consulting the EC and received the support of the elderly services sector. Under the pilot scheme, young people are recruited to provide care services at residential care homes for the elderly and receive on-the-job training. They are also provided with subsidies from the Government to pursue relevant course. After completing the course, they could be promoted to a higher position and may move up the career ladder in the welfare sector.

13. In the light of the positive response to the pilot scheme, we plan to expand and extend it to cover rehabilitation services in a project named the “Navigation Scheme for Young Persons in Care Services”, providing an additional 1 000 places in phases from 2014-15 for young people who have graduated from Secondary 5 or Secondary 6 level. The expenditure involved is approximately \$147 million.

Strengthening Day Child Care Services

14. We understand that some parents are unable to take care of their children temporarily because of work or other reasons. The Social Welfare Department (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 provide child care services with greater 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 at least 234 additional places for home-based child care service; and
- (c) increasing funding to operators to enhance social work support for the service.

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 NGOs operating 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 360 additional fee-waiving and fee reduction quotas across the territory. The implementation of the above two initiatives will incur an annual recurrent expenditure of \$21.75 million.

Injection into the Partnership Fund for the Disadvantaged and Providing Additional Resources for the Child Development Fund (CDF)

15. The Government plans to inject \$400 million into the Partnership Fund for the Disadvantaged, which was established in 2005, to further encourage cross-sectoral collaboration in launching projects that can cater for 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 grassroots families. The Government also proposes to earmark an additional \$300 million for CDF in the next financial year to ensure the sustainable development of CDF projects. Since its establishment in 2008, the 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.

Conclusion

16. The above initiatives demonstrate that the Government has been proactively seeking ways to strengthen the social welfare support for those in need in the community. The Government hopes to continue to enhance tripartite partnership among the community, the social welfare and the business sectors as well as the Government in helping those in need.

Labour and Welfare Bureau
Social Welfare Department
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