

**Speaking Note for the Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
for Examination of the 2015-16 Draft Estimates
on 2 April 2015**

Welfare and Women

Chairman and Honourable Members,

In 2015-16, government recurrent spending on social welfare and women's interests will reach \$59.7 billion, accounting for 18.4% of the total recurrent government expenditure of the year, second only to education. Compared with the revised estimate for 2014-15 (\$54.5 billion), there is an increase of \$5.2 billion (i.e. 9.5%). This reflects the Government's commitment to supporting the disadvantaged. The Government will continue to provide and enhance our support to the disadvantaged, including the children, elderly, persons with disabilities, low-income families and those in need. Now, let me highlight how the Labour and Welfare Bureau (LWB) will make use of such substantial resources.

Elderly Services

2. With the ever-growing elderly population, the resources committed by the Government to elderly care services has continued to increase through the years. The recurrent government expenditure on elderly services in 2015-16 is estimated to reach \$6.8 billion, representing an increase of 11.2% over the revised estimate of \$6.1 billion in 2014-15. In 2015-16, we will increase the annual recurrent expenditure by \$71 million to provide 227 additional subsidised residential care and day care places, and improve the services of six existing contract residential care homes for the elderly (RCHes) and one day care unit.

3. In line with the policy of promoting "ageing in place as the core", the Government will continue to strengthen the provision of community care services to enable our elderly citizens to live in a familiar environment. We will continue to increase the supply of subsidised community care places. In 2015-16, a total of some 80 new day care places would be provided, and 10 of which would provide extended hours of service¹.

¹ Extended hours of service refers to the extension of service hours from 8am to 6pm on weekdays and

4. For home care services, 1 666 additional Enhanced Home and Community Care Services (EHCCS) places have commenced service in succession from March 2015 onwards. To strengthen the services for all EHCCS places, we have integrated the major service content of the Pilot Scheme on Home Care Services for Frail Elders into EHCCS.

5. In addition, we will continue to implement the Pilot Scheme on Community Care Service Voucher for the Elderly. We will work out details of the next phase, taking into account the findings of the mid-term review.

6. As regards residential care services, through a multi-pronged approach, around 1 710 additional subsidised residential care places for the elderly will be provided from 2014-15 to 2017-18. The Social Welfare Department (SWD) has also earmarked sites in 11 development projects for the construction of new RCHEs. We will continue to identify suitable sites to construct contract RCHEs and take forward the Special Scheme on Privately Owned Sites for Welfare Uses so as to increase the provision of long-term care service places for the elderly.

Exploring the Feasibility of Voucher Scheme on Residential Care Services for the Elderly

7. The Elderly Commission (EC) commenced a feasibility study on introducing a voucher scheme on residential care services for the elderly last year and is expected to submit its report in the middle of this year. Subject to the recommendations of the report, we have earmarked about \$800 million to issue a total of 3 000 residential care service vouchers in the three years from 2015-16 to 2017-18.

Formulating an Elderly Services Programme Plan

8. In respect of the planning of elderly services, EC is pressing ahead with formulating an Elderly Services Programme Plan (Programme Plan), and plans to submit its report in mid-2016. For the purpose of gathering the views on stakeholders' on the scope of the Programme Plan, EC conducted the first round of public engagement events from October to November last year. Furthermore, we attended the meetings of the Panel on Welfare Services in December last year and January this year to report the progress to the Panel, and to listen to the views of deputations. EC will shortly commence the public engagement events of the next stage.

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

9. The Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme) was extended to the first batch of green minibus (GMB) routes on 29 March this year. The first batch covers 127 GMB operators (80% of the total) operating a total of 407 GMB routes (81% of the total). The Government will continue to encourage the remaining 32 operators and offer assistance to them where necessary and, depending on the readiness of these operators, plans to roll out the second batch of GMB routes under the Scheme around mid-2015.

10. The number of average daily passenger trips under the Scheme is at present around 740 000, with around 650 000 trips (88%) made by the elderly² and the remaining 90 000 trips (12%) made by eligible persons with disabilities³. It is estimated that the cost of reimbursing GMB operators under the Scheme would be around \$200 million in 2015-16 for the phased implementation. The total Government expenditure on the Scheme will be around \$900 million in 2015-16.

Enhancing Rehabilitation and Support Services for Persons with Disabilities and their Carers

11. 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. Taking into account the expenditure of LWB, SWD (excluding related expenditure under the Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance (SSA) Scheme) and the Transport Department (Rehabus service) alone, the overall recurrent expenditure for rehabilitation services has already increased about 80 per cent from some \$2.8 billion in 2007-08 to nearly \$5.1 billion in 2014-15. In 2015-16, the relevant recurrent expenditure will further increase to \$5.6 billion, representing an increase of almost 10 per cent over 2014-15.

12. To enhance the support for persons with disabilities, we propose an additional recurrent expenditure of nearly \$160 million in 2015-16 to strengthen a range of rehabilitation services. On the other hand, we will

² Elderly people refer to those aged 65 or above.

³ Eligible persons with disabilities are persons aged below 65 with severe disability as defined under the Disability Allowance receiving the allowance and those with 100% disabilities receiving the Comprehensive Social Security Assistance in the same age group.

also increase resources to enhance Rehabus service.

13. We propose to strengthen rehabilitation services on four aspects. First, we propose an additional recurrent expenditure of about \$118 million to provide an additional 285 pre-school rehabilitation, 550 day training and vocational rehabilitation and 436 residential care service places, with a view to strengthening care and providing necessary training for persons with disabilities.

14. Furthermore, mindful of the need of rehabilitation service users for a higher level of support owing to ageing, the Government allocated an additional recurrent expenditure of about \$160 million to enhance the services for ageing service users over the past two years. In the coming year, we propose an additional allocation of about \$25.9 million to increase the manpower of long stay care homes and enhance the allied health services of hostels for moderately mentally handicapped persons to strengthen the care and support for ageing service users.

15. For mental health, the Government has been providing additional resources to Integrated Community Centres for Mental Wellness. Currently, the annual provision for these centres is more than \$205 million. In 2015-16, we propose an additional recurrent expenditure of about \$12.7 million to increase the social work manpower in the Integrated Community Centres to provide more intensive counselling and support for their family members/carers, with a view to relieving their stress in caring for and consolidating their mutual support network.

16. Lastly, we also propose an additional recurrent expenditure of about \$3.2 million to increase the social work manpower in the existing subvented Parents/Relatives Resource Centres so as to enhance the support for persons with disabilities and ex-mentally ill patients, including children/youth with special needs and their family members/carers, with a view to improving their abilities and relieving their stress in taking care of the persons with disabilities.

17. Besides, there are currently 141 rehabuses in the Rehabus fleet. In 2015-16, the Government will allocate an additional capital expenditure of about \$11.8 million for procuring six new rehabuses and replacing six existing ones of higher vehicle age, thereby increasing the fleet to 147. The Government will also allocate about \$61.6 million (including an additional provision of about \$2.2 million) to subsidise the recurrent expenditure of the Rehabus service with a view to further enhancing the service of the Rehabus.

18. While enhancing the existing services, we are also pursuing new ideas. In the year ahead, we will explore the implementation of a pilot project for trained ex-mentally ill persons to serve as peer supporters in community psychiatric service units to provide support and encouragement for other persons in rehabilitation through sharing their recovery experience.

19. In addition, we will launch two pilot projects under the Lotteries Fund to explore the feasibility of new initiatives. First, we will invite the non-governmental organisations (NGOs) operating subvented pre-school rehabilitation services to provide on-site services for pre-school children with special needs in kindergartens or kindergarten-cum-child care centres. Secondly, we will launch a pilot project to provide support and training to persons with autism and their parents/carers as well as professional training to service providers serving persons with autism.

Social Security

20. For social security, we will continue to provide economic assistance to those in need through the CSSA and SSA Schemes in the coming year. Excluding one-off additional payments, the estimated total recurrent expenditure of these two Schemes in 2015-16 is about \$40 billion, which is 8.1% higher than the revised estimate (\$37 billion) last year. This represents 67% of the recurrent social welfare expenditure (\$59.7 billion) and 12.3% of the recurrent government expenditure (\$324.6 billion). The estimated increase in expenditure is to reflect the annual adjustment of payments rates under the CSSA and SSA Schemes, as well as the estimated increase in number of cases under the SSA Scheme.

One-off relief measure

21. Besides, the Financial Secretary (FS) proposes to provide an extra allowance to CSSA recipients, equal to two months of the standard rate CSSA payments, and an extra allowance to the recipients of Old Age Allowance (including the Guangdong Scheme), Old Age Living Allowance and Disability Allowance, equal to two months of the respective allowances. This proposal will involve an additional expenditure of about \$5.5 billion and about 1.18 million recipients are expected to benefit from the extra allowance.

Retirement Protection

22. The Commission on Poverty will consult the public on retirement protection in the latter half of this year. As the FS pointed out in his Budget Speech, overseas experiences suggest that, as population ages and the proportion of dependants to the working population increases, retirement protection on a “pay-as-you-go” basis eventually becomes unsustainable. There would either be less protection for the dependent population or heavier burden on the working population. We should consider carefully the consequences of this scenario when we discuss retirement protection. Irrespective of the community’s choice for the way forward on this issue, the community’s consensus is to provide better retirement protection for the elderly in need. The Government will set aside \$50 billion for this purpose.

Preparing for the Implementation of Low-Income Working Family Allowance

23. Last year, the Government proposed introducing the Low-income Working Family Allowance (LIFA). The aim is to relieve the financial burden of non-CSSA low-income working families (especially those with children), as well as to promote self-reliance and upward social mobility. Funding proposals for the LIFA Scheme were approved by the Legislative Council Finance Committee (FC) on 16 January 2015. We are pressing ahead with the preparatory work with a view to implementing the Scheme in the second quarter of 2016. The estimated annual allowance amount of the Scheme is around \$3 billion.

Continuing the Integrated Employment Assistance Programme for Self-reliance

24. We will continue commissioning NGOs to provide employable able-bodied CSSA recipients with employment assistance services so as to enhance their employability and help them become self-reliant. As such, the Government has earmarked \$223 million to extend the Integrated Employment Assistance Programme for Self-reliance for two more years.

Continuing the Short-term Food Assistance Service

25. The Government has introduced the short-term food assistance service since 2009 to help individuals/families having temporary difficulty cope with basic food expenditure. By the end of January this year, the

service has already served over 170 000 people. The Government has earmarked \$200 million for extending the service by two more years up to end-2017.

Strengthening Child Care Services

26. 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 remove the barriers for women to enter or stay in employment and to further respond to the community demand for child care services, the Government will allocate over \$134 million to launch a series of measures to enhance child care services helping women balance their work and family commitments, including –

- (a) over \$127 million for increasing, by phases, the provision of places of Extended Hours Service (EHS) at aided child care centres and kindergarten-cum-child care centres in districts with high demand from 2015-16 onwards, thus increasing the total provision of such EHS places from about 1 200 to over 6 200 places, representing a fourfold increase. This could help alleviate the pressure on working parents by allowing more needy pre-primary children (aged below six) to remain in the service units that they attend for longer hours to receive care;
- (b) about \$5.6 million for providing resources for aided standalone child care centres and service units providing Occasional Child Care Service and EHS to enhance supervisory and administrative support; and
- (c) about \$1.4 million for providing about 100 additional aided long full-day child care places for children aged below three in 2017-18.

Strengthening Residential Child Care Services

27. To support and protect children who cannot be adequately cared for by their families, as well as young people with behavioural or emotional problems, the Government has been providing subsidies to NGOs to provide various types of residential child care services. The Government will increase the number of residential places in small group homes to provide

temporary accommodation and emotional support for children and young people who have been abused or affected by domestic violence or other family problems. The above initiative will incur an additional recurrent expenditure of about \$7.2 million.

Assisting Families Most in Need of Support

28. Currently, the 65 Integrated Family Service Centres (IFSCs) over the territory and the two Integrated Services Centres (ISCs) in Tung Chung have been providing a spectrum of preventive, supportive and remedial family welfare services for individuals and families in need. To more effectively support individuals and families in preventing and handling problems, the Government will increase the number of professional social workers in IFSCs and ISCs to provide early identification and intervention and strengthen the support for families and children who are vulnerable to domestic violence and have other welfare needs, at-risk pregnant women, mothers suffering from postnatal depression, and children with development problems and their family members, etc. The above initiative will incur an additional recurrent expenditure of about \$8.2 million.

Women's Interests

29. In the 2015 policy address, the Chief Executive accepted two recommendations of the Women's Commission (WoC). First, all bureaux and departments should refer to the "Gender Mainstreaming Checklist" and apply gender mainstreaming when formulating major government policies and initiatives starting from 2015-16; and second, the benchmark for appointing women to Government advisory and statutory bodies should be raised by 5% from 30% to 35%. We will continue to facilitate the incorporation of women's needs and perspectives into the process of policy formulation where appropriate, and empower women and enable them to participate more fully in the community.

30. In 2015-16, we have earmarked around \$30 million to promote women's interests and support the work of WoC. This includes the provision for assisting WoC in implementing the "Capacity Building Mileage Programme".

31. WoC will continue to make “Women’s Employment” the focus of its work in 2015-16. WoC will provide funding support of \$2 million for women’s groups and NGOs to organise projects that may facilitate women employment, through the “Funding Scheme for Women’s Development”.

32. Chairman, this concludes my opening remarks. My colleagues and I are happy to respond to questions from Members.

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