

**Speaking Note for the Secretary for Labour and Welfare  
at the Special Meeting of the Finance Committee  
for Examination of the 2017-18 Draft Estimates  
on 7 April 2017**

Welfare and Women
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Chairman and Honourable Members,

In 2017-18, government recurrent spending on social welfare and women's interests is estimated to be \$73.3 billion, accounting for 19.8% of the total recurrent government expenditure of the year, second only to education. Compared with the revised estimate for 2016-17 (\$63.8 billion), there is an increase of \$9.5 billion (i.e. 14.9%). 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 elderly, children, 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 these substantial resources.

**Elderly Care**

2. Along with the growth of elderly population, the resources committed by the Government to elderly services have continued to increase over the years. The recurrent government expenditure on elderly services in 2017-18 is estimated to reach about \$7.84 billion, representing an increase of 7.2% over the revised estimate of about \$7.31 billion in 2016-17. In 2017-18, we will increase the annual recurrent expenditure by about \$253 million to strengthen elderly care, which include providing 149 additional subsidised residential care places and 25 day care places for the elderly; improving the services of 7 existing contract homes involving 499 subsidised residential care places and 85 day care places for the elderly; and increasing funding for the Infirmary Care Supplement and the Dementia Supplement to provide enhanced support for frail and demented elderly persons.

3. In addition, the Government will provide an additional 2 000 vouchers under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly to support ageing in place for elderly persons

with moderate or severe impairment. The total number of vouchers under the entire pilot scheme will reach 5 000. The additional 2 000 vouchers are estimated to be issued in the third quarter this year. Separately, the Government launched the first phase of the Pilot Scheme on Residential Care Service Voucher for the Elderly in March this year to offer an additional choice to elderly persons in need of residential care service. In the first phase of the pilot scheme, only eligible subvented, contract and self-financing residential care homes are covered. Under the pilot scheme, a total of 3 000 vouchers will be issued in phases from 2017 to 2019.

4. To cope with the service demand, we will continue to make medium and long-term planning for elderly facilities. The Social Welfare Department is planning to implement 25 development projects for provision of new contract homes and day care centres/units for the elderly. It is estimated that about 2 100 residential care places (including subsidised and non-subsidised places) and about 820 day care places for the elderly will be newly provided. At the same time, we are pressing ahead with the Special Scheme on Privately Owned Sites for Welfare Uses to encourage non-governmental organisations (NGOs) to provide additional places for elderly services through expansion, redevelopment or new development on the sites owned by them. Based on the rough estimation of the participating NGOs, about 9 000 additional elderly service places (and 8 000 additional places for rehabilitation services), including 7 000 residential care places and 2 000 day care places, would be provided if all the projects under the Special Scheme could be implemented smoothly.

#### *Formulating an Elderly Services Programme Plan*

5. As regards the overall planning of elderly services, the Elderly Commission (EC) is pressing ahead with formulating an Elderly Services Programme Plan (ESPP). After completing two rounds of public engagement, EC had drawn up the initial recommendations of the ESPP, and a third public engagement exercise was conducted from October last year to February this year to consult stakeholders on the initial recommendations. The consultant is now processing and analysing the views gathered so as to help EC finalise the recommendations of the ESPP. EC is expected to complete and submit the report of the ESPP to the Government in the second quarter this year.

6. As a forward-looking move, the Government has also announced in this year's Budget that a total of \$30 billion will be earmarked to strengthen elderly services and rehabilitation services for persons with disabilities. This clearly demonstrates that elderly and rehabilitation services will continue to

be the Government's policy priorities.

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

7. The Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme) was extended to green minibus (GMB) by phases since 29 March 2015. It now includes 159 GMB operators (99% of the total) operating a total of 522 GMB routes (99% of the total). For the one remaining group (covering six green minibus routes), the operator concerned is carrying out the necessary preparatory work so as to meet the accounting and auditing requirements for participating in the Scheme as soon as possible.

8. In the past six months (from August 2016 to January 2017), the average daily passenger trips under the Scheme was around 1.16 million, with around 1.01 million trips (87%) made by the elderly<sup>1</sup> and the remaining 150 000 trips (13%) made by eligible persons with disabilities<sup>2</sup>. With the Scheme's extension to green minibuses and the steady increase in Hong Kong's elderly population, the Government's reimbursement of revenue forgone to the operators will increase to around \$1.2 billion in 2017-18 from \$1 billion in 2016-17.

**Support for the Disadvantaged**

9. The Government will commence formulating a new Hong Kong Rehabilitation Programme Plan, after the EC has completed the formulation of the Elderly Services Programme Plan, by making reference to the relevant experience. As mentioned above, the Government has earmarked a total of \$30 billion to strengthen elderly services and rehabilitation services for persons with disabilities. On rehabilitation services, having regard to the recommendation put forward in the process of formulating the new Hong Kong Rehabilitation Programme Plan, we will enhance pre-school training, residential care, day care, community support, employment, barrier-free facilities and transportation for persons with disabilities where considered practicable and appropriate, so as to enable them to fully integrate into the community and enjoy equal opportunities.

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<sup>1</sup> Elderly people refer to those aged 65 or above.

<sup>2</sup> Eligible persons with disabilities means recipients under the Comprehensive Social Security Assistance (CSSA) Scheme aged below 65 with 100% disabilities and recipients of Disability Allowance (DA) in the same age group.

10. The Government launched a two-year “Pilot Scheme on On-site Pre-school Rehabilitation Services” in 2015, which provided about 2 900 service places for over 480 kindergartens or kindergarten-cum-child care centres. Starting from 2017-18, the Government will reserve an annual recurrent funding of \$582 million for regularising the Pilot Scheme and provide 7 000 service places by phases; and for waiving the fees of Special Child Care Centres (SCCCs) and provide non-means-tested Training Subsidy Programme for children on the waiting list for SCCC.

11. To enhance the support for ex-mentally ill persons, the Government will allocate an addition of about \$40 million recurrent provision to further increase the number of social workers and support staff at Integrated Community Centres for Mental Wellness (ICCMWs) to provide more in-depth support to ICCMW members for their re-integration into the community; and to regularize the “Pilot Project on Peer Supporter Service” implemented in Community Psychiatric Service Units in March 2016, in order to enhance the community support for ex-mentally ill persons.

12. We propose an additional annual recurrent provision of about \$136 million in 2017-18 to strengthen support services for persons with disabilities, including the provision of additional 344 pre-school rehabilitation, 210 day training and vocational rehabilitation, 344 residential care service places and 80 day care service places in the district support centres for persons with disabilities, with a view to strengthening care and providing necessary training for persons with disabilities. Furthermore, the Government will invite the Community Care Fund to consider implementing a pilot scheme to provide a special subsidy for persons with permanent stoma from low-income families to purchase medical consumables.

13. To promote the employment of persons with disabilities, one of the Government’s measures is to subsidise non-governmental organisations to set up social enterprises through the “Enhancing Employment of People with Disabilities through Small Enterprise Project”. In 2017-18, the Government will inject an additional funding of \$100 million for the Project. The maximum funding for each social enterprise will be increased from \$2 million to \$3 million.

### **Poverty Alleviation and Retirement Protection**

#### *Low-Income Working Family Allowance (LIFA)*

14. The LIFA Scheme has been implemented since May 2016. As at

10 March 2017, a total of over 60 000 applications have been received, of which over 50 000 applications have been approved with the total amount of allowance approved over \$579 million. Around 112 000 persons have benefited from the Scheme. Of these persons, over 49 000 are children or youths. The Government will conduct a comprehensive policy review on the LIFA Scheme in mid-2017. Comments received from the public and concern groups on the Scheme will be considered in the review in a holistic manner.

### *Social Security and Retirement Protection*

15. For social security, we will continue to provide financial assistance to those in need through the Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) Schemes in the coming year. Excluding the one-off relief measure, the estimated total recurrent expenditure of these two Schemes in 2017-18 is about \$47.4 billion, which is 13.3% higher than the revised estimate (\$41.8 billion) last year. This represents 64.6% of the Government's recurrent social welfare expenditure (\$73.3 billion) and 12.8% of the recurrent government expenditure (\$371.0 billion).

16. The Chief Executive stated in his 2017 Policy Address that the existing multi-pillar retirement protection system should continue. At the same time, we should enhance the effectiveness of each pillar while maintaining the sustainability and financial viability of the system. To strengthen the support of the social security pillar for elderly persons, the Government recommends, among others enhancing the Old Age Living Allowance (OALA) through two measures. We recommend relaxing the asset limits for the existing allowance in 2017-18 to benefit more elderly persons with financial needs. In addition, we recommend adding a higher tier of assistance in 2018-19 for elderly persons with more financial needs who are eligible for the allowance. It is estimated that around 500 000 elderly persons will benefit from the two measures in the first year upon full implementation, which involves an additional recurrent expenditure of over \$75.5 billion in the first ten years.

17. Separately, to facilitate elderly persons to retire on the Mainland, the 2017 Policy Address recommends once again exempting, on a one-off basis for a one-year period, eligible elderly persons already residing in Guangdong (GD) from the requirement of having resided in Hong Kong continuously for at least one year immediately before the date of application under the GD Scheme; and introduce the Fujian (FJ) Scheme to provide Old Age Allowance (OAA) to eligible elderly persons who choose to reside in FJ. The Social Welfare Department plans to implement the GD Scheme shortly

after the passage of the Appropriation Bill 2017; and will prepare for the implementation of the FJ Scheme in the 2018-19 financial year. It is estimated that the two measures involve an additional recurrent expenditure of 170 million per year.

#### *One-off relief measure*

18. Apart from the above recurrent measures, the Financial Secretary proposes in his 2017-18 Budget to provide an extra payment to social security recipients, equal to one month of the standard rate CSSA payments, OAA, OALA or Disability Allowance. This proposal will involve an additional expenditure of about \$3.5 billion. About 1.24 million recipients are expected to benefit from the extra allowance. The Government also proposes to make similar arrangements for recipients of LIFA or Work Incentive Transport Subsidy (WITS). It is estimated that about 35 000 households in receipt of LIFA and about 48 000 recipients of WITS will benefit, involving additional expenditure of about \$73 million and about \$29 million respectively.

### **Supporting Families**

#### *Supporting the Families in Need*

19. We have been providing subsidies to NGOs to provide various types of residential child care services to support children who cannot be adequately cared for by their families or young persons having behavioural and/or emotional problems. To further support the families in need, we will allocate an additional annual recurrent expenditure of about \$71 million to increase the level of various foster care allowances and provide 240 additional foster care places in phases so that children in need can be taken care of in a family environment. Meanwhile, to further publicise foster care service to the general public and recruit more suitable foster parents, we will enhance service promotion in April 2017 through a territory-wide publicity campaign on foster care service by means of television and radio Announcements in the Public Interests as well as posters, so as to encourage more suitable persons to become foster parents.

#### *Helping Women Balance Family and Work Commitments*

20. In view of the implementation of the free quality kindergarten education policy by the Education Bureau in the 2017/18 school year, we understand the sector's concern about the effects on the operation of

day/residential child care services and pre-school rehabilitation services, especially the challenges in respect of subsidy to the child care services, remuneration of child care workers and manning ratio, etc. In order to relieve the recruitment and brain drain problems of child care services, we increase the annual recurrent expenditure of about \$145 million to provide additional resources for units of day/residential child care services and pre-school rehabilitation services in 2017-18 for enhancing the remuneration for qualified child care staff, so as to retain and attract the qualified child care staff.

### *Assisting Families Most in Need of Support*

21. To support the victims of domestic violence and the families in need, in 2017-18, SWD will provide additional places of refuge centre for women.

### **Women's Interests**

22. To facilitate the development of women, all bureaux and departments have been adopting gender mainstreaming and applied the gender mainstreaming checklist (the Checklist) developed by the Women's Commission (WoC) when formulating major government policies and initiatives since April 2015. LWB and WoC have also introduced a pilot scheme to encourage NGOs in the social welfare sector to apply the Checklist. To further promote the concept of gender mainstreaming and raise the awareness of gender-related issues in the business community, the Government has established a Gender Focal Point (GFP) network among listed companies at end 2016, following the setting up of such a network among Government bureaux/departments, District Councils (DCs) and NGOs in the social welfare sector. So far, some 160 listed companies have set up GFPs. Besides, the Government will continue to facilitate more women to participate in the work of Government advisory and statutory bodies with a view to attaining the 35% gender benchmark.

23. In 2017-18, we have earmarked around \$35.3 million to promote women's interests and support the work of the WoC. These include the provision for assisting WoC in implementing the "Capacity Building Mileage Programme", and implementing the Funding Scheme for Women's Development under the theme of "Women Employment", under which 18 DCs and women's groups may implement different women's employment programmes.

**Community Development**

24. The Government will also seek funding from the Lotteries Fund in 2017-18 for injection of \$300 million into the Community Investment and Inclusion Fund. The aim is to continue to support social capital development projects and build up mutual help networks in the community through cross-sector collaboration.

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

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