

**Speaking Note for the Secretary for Labour and Welfare  
at the Special Meeting of the Finance Committee  
for Examination of the 2018-19 Draft Estimates  
on 20 April 2018**

Welfare and Women
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Chairman and Honourable Members,

In 2018-19, government recurrent spending on social welfare and women's interests is estimated to be \$79.8 billion, accounting for 19.6% of the total recurrent government expenditure of the year, second only to education. Compared with the revised estimate for 2017-18 of \$65.8 billion, there is an increase of \$14 billion (i.e. 21.3%). 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. The recurrent government expenditure on elderly services in 2018-19 is estimated to reach about \$9.1 billion, representing an increase of about 18% over the revised estimate in 2017-18. The Government will allocate additional resources to implement various initiatives on elderly services put forth in the 2017 Policy Address, involving a total recurrent provision of about \$1,263 million and non-recurrent expenditure of about \$2,229 million. The key initiatives include providing an additional 1 000 vouchers under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly, bringing the total to 6 000; enhancing dementia care and the support for needy carers of elderly persons; setting up a \$1 billion Innovation and Technology Fund for Application in Elderly and Rehabilitation Care; providing professional outreach services and visiting medical practitioner services for residents in private residential care homes for the elderly; and increasing the salaries of front-line care staff of subsidised elderly service units. In addition, the Government will provide speech therapy services for elderly service units to assist elderly persons with swallowing difficulties or speech impairment.

## **Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities**

3. The Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the Scheme) provides fare concession to the elderly<sup>1</sup> and eligible persons with disabilities<sup>2</sup> in taking Mass Transit Railway, franchised buses, ferries and green minibuses. With the steady increase in Hong Kong's elderly population, the Government's reimbursement of revenue forgone to the operators under the Scheme will increase to around \$1.3 billion in 2018-19 from around \$1.1 billion in 2017-18. The Government will conduct a review of the Scheme in 2018-19, taking into full consideration suggestions made by the public in such areas as the effectiveness and mode of operation of the Scheme, the public's feedback and views on other transport fare subsidy schemes, the Government's financial commitment as well as the effectiveness of the measures for monitoring the Scheme, etc.

## **Support for the Disadvantaged**

### **Rehabilitation Services**

4. The Hong Kong Rehabilitation Programme Plan (HKRPP) sets out strategic directions as well as short-, medium- and long-term measures to address various service needs of persons with disabilities. To keep our rehabilitation services updated with changing needs, the Government has invited the Rehabilitation Advisory Committee (RAC) to commence formulating a new HKRPP. It is expected that the RAC will submit a report to the Government by the end of 2019.

5. The Government will continue to improve our rehabilitation services pending the completion of the report. The annual recurrent expenditure will increase by about \$450 million to provide 2 469 additional subvented rehabilitation service places.

## **Strengthening Care for Persons with Disabilities**

6. The Social Welfare Department (SWD) will allocate annual recurrent funding of about \$9 million for forming four district-based speech therapy teams. These teams will provide speech therapy services in hostels for moderately mentally handicapped persons, hostels for severely mentally

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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.

handicapped persons, hostels for severely physically handicapped persons with mental handicap, and care and attention homes for severely disabled persons, so as to assist ageing service users with intellectual disabilities in dealing with swallowing problems.

7. The Government will earmark \$50 million for setting up a dedicated office towards the end of this year to provide “special needs trust” services for parents of children with special needs. In addition, the Government will increase the annual recurrent funding by about \$40 million for increasing the number of parents/relatives resource centres progressively from 6 to 19 to step up support for parents and relatives/carers of persons with disabilities.

8. Besides, SWD will, starting from October 2018, regularise the Pilot Project on Strengthening Support for Persons with Autism and their Parents/Carers with an estimated increase of service places from about 160 to about 240 per annum. The annual recurrent expenditure involved is about \$15 million.

### **Community Mental Health Services**

9. SWD will allocate an additional annual recurrent funding of about \$27 million to the integrated community centres for mental wellness for creating 12 clinical psychologist posts to step up professional support for ex-mentally ill persons and persons suspected to be with mental health problems; and providing 24 additional Assistant Social Work Officers to provide counselling, therapeutic groups and activities etc. for children of ex-mentally ill persons.

### **Promoting Employment of Persons with Disabilities**

10. To promote the employment of persons with disabilities, one of the Government’s measures is to extend the work adaptation period under the Work Orientation and Placement Scheme from two months to three months, and to increase the maximum amount of allowance payable to employers from \$35,000 to \$51,000.

### **Children and Youth Services**

11. On the support to children, to facilitate early identification of and provide assistance to those children and their families having welfare needs, the Government will launch a three-year pilot project in the 2018/19 school year, through an allocation of about \$504 million from the Lotteries Fund, to

provide social work service in phases for about 150 000 children and their families in all aided standalone child care centres, subsidised/aided kindergartens and kindergarten-cum-child care centres.

12. The Government will provide subvention to non-governmental organisations (NGOs) for setting up five cyber youth support teams to reach out to high-risk or hidden youths to provide early intervention and support. This initiative involves recurrent expenditure of \$20.5 million.

13. To better cater for the developmental needs of deprived children and youths at the district level, the Government will raise the ceiling of cash allowance under the District Support Scheme for Children and Youth Development from \$1,500 to \$2,000 per person per year, and increase the number of annual quotas from 6 000 to 10 000. The recurrent expenditure involved is \$11 million.

### **Enhancement on Child Protection Services**

14. To enhance the handling of child abuse and suspected child abuse cases, the Government will strengthen the manpower of the Family and Child Protective Services Units of the SWD for strengthening child protection and family support services, including outreach services and counselling and groups. On the other hand, the Educational Programme on Stopping Domestic Violence will also be enhanced. The Educational Programme supports children witnessing or exposed to domestic violence, and help perpetrators and individuals with the risk of using violence to stop their violence and protect children from harm. The recurrent expenditure involved will amount to some \$43 million.

### **Supporting Families**

#### **Supporting the Families in Need**

15. To further meet the caring needs of children and youths receiving residential care services, we will allocate an additional annual recurrent expenditure of about \$92 million to strengthen the manpower of various types of residential child care services, and will make use of the Lotteries Fund to improve the environment of small group homes.

16. To enhance the co-parenting support for separated/divorced parents and their children, we will allocate an additional annual recurrent expenditure of about \$56 million for setting up five one-stop co-parenting support centres over the territory to be operated by non-governmental organisations. Services to be provided by these centres include co-parenting counselling,

parenting coordination and children contact etc. We will also provide additional manpower resources to the Integrated Family Service Centres operated by the SWD and the 11 Family and Child Protective Services Units, so as to enable early identification and more effective intervention for families at risk of separation or divorce.

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

17. To further enhance day child care services, the Government will provide an additional recurrent allocation of about \$10 million to increase, in phases from 2018-19, about 300 places in aided standalone child care centres in the North District, Kwun Tong District, Kwai Tsing District and Sha Tin District.

### **Poverty Alleviation, Social Security and Retirement Protection**

#### **Working Family Allowance**

18. In May 2016, the Government launched the Low-income Working Family Allowance (LIFA) Scheme to encourage self-reliance through employment amongst low-income families who are not receiving Comprehensive Social Security Assistance (CSSA). The LIFA Scheme focuses on supporting families with children and youths to ease intergenerational poverty. A series of improvement measures to the LIFA Scheme was announced in the Chief Executive's 2017 Policy Address, which include extending the Scheme to cover singleton households, allowing all household members to aggregate their working hours, relaxing the income limit, raising all the rates of allowances, etc., as well as renaming the Scheme as the Working Family Allowance (WFA) Scheme. The improvement measures have been implemented on 1 April 2018. We hope the Scheme would benefit more working households.

#### **Social Security and Retirement Protection**

19. For social security, we will continue to provide financial assistance to those in need through the CSSA Scheme and the Social Security Allowance Scheme. Excluding the one-off extra payments announced in the 2018-19 Budget, the estimated total recurrent expenditure of these two Schemes in 2018-19 is about \$52.2 billion, which is 21.6% higher than the revised estimate of \$42.9 billion last year. This represents 65.4% of the Government's recurrent social welfare expenditure (\$79.8 billion) and 12.8% of the recurrent government expenditure (\$406.5 billion).

20. To strengthen the retirement protection for elderly persons, the Government will introduce the Higher Old Age Living Allowance (OALA) (currently at \$3,485 per month) for elderly persons with more financial needs on 1 June 2018, with retrospective effect from 1 May 2017. Eligible elderly persons may receive a lump-sum retrospective payment counting from 1 May 2017 at the earliest.

21. Separately, the Government has implemented the Fujian (FJ) Scheme on 1 April 2018 to provide Old Age Allowance (OAA) to eligible elderly persons who choose to reside in FJ. A special one-off arrangement has been put in place in the first year of implementation of the FJ Scheme (i.e. from 1 April 2018 to 31 March 2019) to allow applicants who have resided in FJ continuously for at least one year before application to benefit from the FJ Scheme. They will not be required to comply with the requirement of having resided in Hong Kong continuously for at least one year before applying to join the FJ Scheme.

### **One-off Extra Payments and Caring and Sharing**

22. Apart from the above recurrent measures, the Financial Secretary has proposed a series of measures in his 2018-19 Budget to share the fruits of our economic success with the community, which include providing an extra payment to social security recipients, equal to two months of the standard rate CSSA payments, OAA (including the Guangdong Scheme and FJ Scheme), OALA (including higher and normal allowances) or Disability Allowance. This proposal will involve an additional expenditure of about \$7 billion. About 1.27 million recipients are expected to benefit from the extra allowance. The Government also proposes to make similar arrangements for recipients of LIFA/WFA and Work Incentive Transport Subsidy (WITS). It is estimated that about 70 000 households in receipt of LIFA/WFA and about 44 000 recipients of WITS will benefit, involving additional expenditure of about \$326 million and about \$53 million respectively.

23. In addition, the Financial Secretary has proposed to provide a one-off grant of \$2,000 to each student in need (including those who are receiving CSSA) to support learning. Under the CSSA Scheme, it is estimated that about 70 000 children would benefit from the measure, involving an estimated expenditure of around \$142 million.

24. On 23 March, the Financial Secretary announced the Caring and Sharing Scheme under the 2018-19 Budget to enable each eligible citizen to

receive \$4,000. However, as social security recipients<sup>3</sup> (i.e. those who would receive the above-mentioned two-month extra allowance) are not eligible under the Caring and Sharing Scheme, the Government will disburse the difference to make up to \$4,000 if the extra two months of social security payment is less than this amount. According to our rough estimation, an extra \$435 million will be needed for the purpose. The Government will move an amendment to the Appropriation Bill in due course to obtain the necessary funds to effect this arrangement.

### **Women's Development**

25. 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 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.

26. In 2018-19, we have earmarked around \$33 million to promote women's interests and support the work of 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.

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

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<sup>3</sup> If recipients of LIFA/WFA and WITS meet the relevant eligibility criteria for the Caring and Sharing Scheme, they may make an application under that Scheme.