

**Speaking Notes for the Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
on 19 April 2024**

Welfare, Poverty Alleviation and Children

Chairman and Honourable Members,

In 2024-25, government recurrent spending on social welfare is estimated to be \$127.4 billion, accounting for 22% of the total recurrent government expenditure of the year, first amongst all policy area groups. Compared with the revised estimate for 2023-24 of \$112.4 billion, there is an increase of about \$15 billion in recurrent spending on social welfare. The increase is about 13.3%. Now, let me highlight how the Labour and Welfare Bureau (LWB) will make use of these resources.

Elderly Services

2. The recurrent government expenditure on elderly services this year is estimated to reach about \$16 billion, representing an increase of about 60% over about \$10 billion comparing to five years ago (i.e. 2019-20).

3. The Government will continue to strengthen residential and community care services for the elderly, adding 1 000 more residential care service vouchers for the elderly (RCSV) and 1 000 more community care service vouchers for the elderly (CCSV) starting from the second quarter this year so that RCSV and CCSV will have a total of 5 000 and 11 000 vouchers respectively. Starting from the second quarter this year, the service scope of RCSV will be extended from the existing care-and-attention places to nursing home places.

Cash Assistance

4. This year's Budget proposes to provide an extra half-month allowance to eligible recipients of social security payments, which will incur an expenditure of about \$2,873 million and is expected to benefit about 1.66 million persons. Similar arrangements will apply to recipients of the Working Family Allowance (WFA) Scheme. It is expected that around 64 000 households will benefit from this initiative, incurring an expenditure of about \$100 million. Apart from this, the Government continues to enhance

cash assistance schemes, including increasing the rates of household and child allowances under WFA Scheme by 15% across the board with effect from April this year. The additional expenditure involved is expected to be about \$257 million per year.

Enhance Support for Persons with Disabilities

5. In view of the ageing of users of Residential Care Homes for Persons with Disabilities (RCHDs), the Government will increase nursing staff in RCHDs to enhance care for their ageing users. The annual expenditure involved is about \$121 million. To meet the needs of day training service users who are ageing or have deteriorating health conditions, we will increase service places of the Extended Care Programme in Day Activity Centres and the Work Extension Programme to enhance care for these service users. The annual expenditure involved is about \$20 million.

6. The Government will enhance the services of Integrated Community Centres for Mental Wellness, including strengthening early identification of persons with mental health needs and early intervention, and scaling up the training of social workers in community mental health service units to raise their capacity in handling complicated cases. The annual expenditure involved is over \$60 million.

7. We will also seek funding of about \$129 million from the Community Care Fund to implement a three-year pilot scheme from the third quarter of 2024, to provide an additional subsidy of \$500 per month to employed disabled recipients of the Comprehensive Social Security Assistance as a means of encouraging their employment.

Enhance Support for Carers

8. In the fourth quarter of 2024, the Government will invite recognised service providers participating in the CCSV Scheme for the Elderly to provide day respite services for needy elderly when there are vacant service places. The annual expenditure involved is about \$24 million.

9. The Government launched Community Care Teams – Pilot Scheme on Supporting Elderly and Carers (the Pilot Scheme) in March. Piloting in Tsuen Wan and Southern District, the Care Teams will help identify households of singleton/doubleton elderly persons as well as carers of elderly persons and carers of persons with disabilities requiring support, and refer cases to the relevant social welfare service units for follow-up. Care Teams will also assist referring needy households to install emergency alarm systems. The

expenditure involved is about \$9 million. Upon reviewing its effectiveness, the Government will consider extending the Pilot Scheme to other districts.

10. In April 2024, the Social Welfare Department (SWD) set up a designated team in each of the 21 District Support Centres for Persons with Disabilities across the territory to proactively contact the carers of special school leavers six months before graduation, provide training on caring and interaction skills, arrange post-school care plans and link with community support services, as well as provide follow-up services for needy cases after graduation, so as to facilitate school leavers' smooth transition from school to community life. The annual expenditure involved is about \$110 million.

11. To support persons in mental recovery and their carers, the Government will strengthen Peer Support Services in 2024, and set up four additional Parents/Relatives Resource Centres for carers of persons in mental recovery in 2025. The annual expenditure involved is about \$26 million.

Assist Working Families in Childbearing

12. Over the next three years starting this year, the Government will set up 10 more aided standalone child care centres in phases, providing nearly 900 additional places for day child care services, and starting from this April, increase the Child Care Centre Parent Subsidy. SWD will also extend the After-School Care Programme for Pre-primary Children to cover all districts in Hong Kong, the service places will increase to nearly 1 200. Starting from this April, the incentive payment for home-based child carers of the Neighbourhood Support Child Care Project will be increased; and starting from the fourth quarter this year, doubling the number of service places to about 2 000 with a view to doubling the number of beneficiaries to 20 000. The various initiatives above would involve an annual expenditure of about \$408 million.

Child Protection

13. The Government is fully co-operating with the Legislative Council in the scrutiny of the Mandatory Reporting of Child Abuse Bill and looks forward to the early passage of the bill and the implementation of the mandatory reporting regime for early identification and intervention into child abuse cases. Various measures are in the pipeline to dovetail with the mandatory reporting regime coming into effect. Relevant additional full-year provision by the Government is about \$186.5 million.

14. SWD is progressively implementing the recommendations of the

Committee on Review of Residential Child Care and Related Services including increasing the number of service places, substantially increasing the incentive payment for foster families, and strengthening the support and training for foster families, etc. Relevant additional full-year provision by the Government is about \$178.4 million.

Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (“Scheme”)

15. The Financial Secretary has announced in 2024-25 Budget that the Government will review the mode of operation of the Scheme with a view to maintaining its financial sustainability. The Government has stated that there is no intention to cancel the Scheme or change the existing beneficiary groups. We anticipate that the review will be completed within this year.

16. Chairman, this concludes my opening remarks. Members are welcome to raise questions.

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