# CHAPTER 6

## Labour and Welfare Bureau
## Social Welfare Department

## Pre-school rehabilitation services: Service delivery

**Audit Commission**
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Report No. 87 of the Director of Audit contains 8 Chapters which are available on our website (https://www.aud.gov.hk).

The Audit Commission website

Audit Commission
6th Floor, High Block
Queensway Government Offices
66 Queensway
Hong Kong

Tel : (852) 2867 3423
Fax : (852) 2824 2087
E-mail : enquiry@aud.gov.hk

# PRE-SCHOOL REHABILITATION SERVICES: SERVICE DELIVERY

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# PRE-SCHOOL REHABILITATION SERVICES: SERVICE DELIVERY

## Executive Summary

1. The Social Welfare Department (SWD) is responsible for implementing the Government's policies on social welfare and for developing and coordinating social welfare services. It provides a network of rehabilitation services for persons with physical or intellectual disabilities, including subvented pre-school rehabilitation services (PRS). Recognising the importance of early intervention for children in need of rehabilitation services, SWD's expenditure on the provision of PRS and pre-service support increased from about $2.1 billion in 2021-22 to about $2.8 billion in 2025-26. PRS target children aged under six who have disabilities or are at risk of becoming disabled. To be eligible for PRS, children should have been assessed by qualified professionals recognised by SWD, including those from the Child Assessment Centres of the Department of Health (DH) or the Hospital Authority (HA), or from the private sector. Depending on the severity of disability, eligible children are categorised into one of three tiers: (a) Tier 1 children (i.e. children awaiting professional assessments, or assessed to have borderline developmental problems or special needs); (b) Tier 2 children (i.e. children assessed to have mild disabilities); or (c) Tier 3 children (i.e. children assessed to have moderate to severe disabilities). In 2025-26, DH and HA incurred expenditure of about $173.6 million and about $18 million respectively for the provision of child assessment services.

2. SWD operates the Central Referral System for Rehabilitation Services (CRSRehab) for case registration and case matching for PRS. Under subvented PRS, four main service types are provided to children mainly through service units operated by non-governmental organisations (NGOs) depending on the severity of children's disability, including the On-site Pre-school Rehabilitation Services (OPRS), the Integrated Programme in Kindergarten-cum-Child Care Centre (IP), the Early Education and Training Centre (EETC) and the Special Child Care Centre (SCCC). SWD has signed Funding and Service Agreements (FSAs) with NGOs under the Lump Sum Grant (LSG) Subvention System, setting out the required performance standards of services to be provided. SWD also administers the Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services to enable children waiting for subvented PRS to acquire self-financing services. As at

31 March 2026, the programme had a service capacity of about 3,100 service places. The Audit Commission (Audit) has recently conducted a review to examine the provision of PRS. The findings are contained in this Audit Report and another one titled "Pre-school rehabilitation services: Pre-service support and administrative issues" (Chapter 5 of the Director of Audit's Report No. 87).

## Pre-school rehabilitation services provided in kindergartens/kindergarten-cum-child care centres

3. ***Delivery of OPRS.*** According to SWD, an inter-disciplinary service team provides a spectrum of on-site rehabilitation training and support services, namely Tier 1 Support Services and Tier 2 Services, to children with different levels of disabilities and special needs aged under six who are attending kindergartens (KGs)/kindergarten-cum-child care centres (KG-cum-CCCs). As at 31 March 2026, 21 NGOs operated 85 service teams providing OPRS. Audit analysis of SWD's data found variations in the number of children served across the 85 OPRS teams:

(a) ***Need to take into account significant variations in Tier 1 children served when reviewing the number of service places.*** According to SWD, a typical OPRS team serving 100 Tier 1 children is required to deliver at least 1,250 training hours of Tier 1 Support Services per year, and OPRS teams are required to take up Tier 1 cases whenever necessary. According to FSAs, each OPRS team is required to provide Tier 1 Support Services for not fewer than 100 Tier 1 children. In 2025-26, 10,300 service users received Tier 1 Support Services. Audit found that 21 (25% of 85) teams served fewer than the required 100 children (ranging from 53 to 98), 2 (2%) teams served exactly 100 children and 62 (73%) teams served more than 100 children (ranging from 101 to 224). According to SWD, although some OPRS teams served fewer than 100 Tier 1 children in 2025-26, all 85 OPRS teams were able to deliver the required number of training hours for Tier 1 Support Services in accordance with the relevant Service Output Standards (OSs) stipulated in the FSAs concerned. In this regard, Audit noted that SWD calculated the amount of subvention for Tier 1 Support Services mainly based on the number of service places stated in FSAs, which ranged from 100 to 154 for each OPRS team; and

(b) ***Need to review variations in number of users of Tier 2 Services across OPRS teams.*** According to SWD, a typical OPRS team serving 100 Tier 2 children is required to deliver at least 5,000 training hours of

Tier 2 Services per year. As at 31 March 2026, there were 10,124 service places for Tier 2 Services. Audit found that the number of children served by each of the 85 OPRS teams for Tier 2 Services ranged from 94 to 153, with utilisation rates ranging from 94% to 107%. SWD needs to take into account the variations in the number of children served by individual OPRS teams in case of any resource allocation in future (paras. 1.7(a), 2.2 to 2.7 and 2.9).

4. ***Need for comprehensive reporting of OPRS statistics.*** During the examination of the estimates of expenditure, some Legislative Council (LegCo) Members raised questions regarding service statistics of PRS (e.g. number of new applicants and service users). Audit noted that, while SWD provided two types of OPRS to service users (see para. 3), it only reported the statistics of Tier 2 Services to LegCo and not those of Tier 1 Support Services (para. 2.10).

5. ***Need to enhance monitoring of the delivery of OPRS Tier 1 Support Services.*** Between July and September 2026, Audit selected three NGOs and visited one OPRS team (i.e. Team A, Team B and Team C) from each NGO to review their delivery of OPRS. According to the three OPRS teams visited, for children suspected of having special needs, the KGs/KG-cum-CCCs would complete a standardised screening checklist for each child and refer the children to OPRS teams for the provision of Tier 1 Support Services. Audit noted that: (a) OPRS Teams B and C did not maintain information on the dates of case referrals from KGs/KG-cum-CCCs and could only provide Audit with the dates of completion of the standardised screening checklists; (b) the three teams took an average of 26 days to provide Tier 1 Support Services after receiving case information from KGs/KG-cum-CCCs; and (c) SWD had not specified a time target for OPRS teams to provide Tier 1 Support Services after receiving case referrals from KGs/KG-cum-CCCs (paras. 2.14 to 2.18).

6. ***Room for improvement in reporting of half-yearly statistical information and follow-up of reported figures for OPRS Tier 2 Services.*** At half-yearly intervals, OPRS teams were required to submit statistical information to SWD, including the number of new cases received in a month. Audit examined the half-yearly statistical information submitted for 2025-26 by the three OPRS teams visited and identified room for improvement. For example, in September 2025, while SWD referred 22 cases to Team A, the Team reported in the half-yearly statistical information that only 11 new cases had been received in that month. However, there was no evidence that SWD had taken any follow-up actions on this discrepancy (paras. 2.19 and 2.20).

7. ***Varying levels of supply and demand for IP service places across districts.*** According to SWD, IP provides training and care to Tier 2 children aged 2 to 6 in KG-cum-CCCs (operated by NGOs) to help them integrate into mainstream curriculum and daily social life. A designated child care worker (i.e. IP teacher) in a KG-cum-CCC provides intensive school-based training to children under a teacher-to-student ratio of 1:6. As at 31 March 2026, 46 NGOs provided a total of 1,974 IP service places in 213 KG-cum-CCCs, serving 1,864 service users. Audit noted that, while 110 IP service places were available, 525 children were waitlisted for IP, and the supply and demand for IP service places varied across districts. For example, Central and Western District and Southern District recorded relatively low enrolment rates of 55.6% and 85% respectively, whereas Yuen Long District and Sha Tin District had 66 and 56 children waitlisted for IP respectively. Audit found that some NGOs provided IP in districts with relatively low enrolment rates while also providing IP in other districts with relatively high demand (paras. 1.7(b), 1.11 and 2.25 to 2.27).

8. ***Target average enrolment rate for IP not achieved.*** According to FSAs for IP, SWD has set out performance standards for compliance by NGOs, including an OS for achieving an average enrolment rate of 90% in a year. Audit found that, in 2025-26, of the 213 KG-cum-CCCs operating IP, 33 (15%) did not achieve the target average enrolment rate, with the actual rate ranging from 25% to 88%. In particular, 6 KG-cum-CCCs did not achieve the target average enrolment rate for at least four consecutive years. The NGOs concerned indicated to SWD that the under-achievement of OS in the relevant years was mainly due to insufficient number of referrals from CRSRehab. They also submitted action plans to SWD indicating that they would enhance promotional efforts to attract more applications. However, Audit noted that such promotional efforts might not be very effective in improving the IP enrolment rate of some KG-cum-CCCs (paras. 2.29 to 2.31).

9. ***Need to ensure adequate provision of essential staff for IP.*** According to FSA for IP, an Essential Service Requirement (ESR) is the provision of an IP teacher as an essential staff, at a ratio of 1 IP teacher for every 6 IP service places. In July and August 2026, Audit selected three NGOs and visited one KG-cum-CCC from each NGO to review their delivery of IP. Audit found that:

(a) during the periods from September 2022 to August 2023 and from December 2023 to August 2025, 1 of the KG-cum-CCCs visited

(i.e. KG-cum-CCC A) employed only 1 IP teacher to provide IP for 7 to 10 children, thereby failing to meet the relevant ESR;

(b) according to the corresponding half-yearly statistical information submitted to SWD, KG-cum-CCC A reported that only 1 IP teacher was employed for 12 IP service places. However, there was no evidence showing that SWD had taken any follow-up actions in response to the above statistical information; and

(c) the NGO operating KG-cum-CCC A operated a total of 25 KG-cum-CCCs providing IP as at 31 March 2026. Audit examined the half-yearly statistical information submitted by the NGO for 2024-25 and 2025-26 and found that, apart from KG-cum-CCC A, 4 other KG-cum-CCCs operated by the NGO also did not employ an adequate number of IP teachers, with the period of shortage ranging from 1 to 6 months (averaging 3 months) (paras. 2.34, 2.35 and 2.37).

## Early Education and Training Centres

10. ***Room for improvement in capacity planning and establishment of EETCs.*** EETC provides early intervention and training programmes, including developmental assessments and centre-based training and/or therapy, to Tier 2 and Tier 3 children aged 0 to 2, as well as Tier 2 children aged 2 to 6. It also provides support and education to parents/family members/carers. As of March 2026, 62 EETCs were operated by 17 NGOs, providing 4,677 service places. Audit noted that, as at 31 March 2026:

(a) there were significant variations in the average waiting times and the percentages of children waitlisted relative to service places across different districts. Yuen Long District and North District were among those with the longest average waiting times and the highest percentages of children waitlisted;

(b) there were shortfalls in service places in certain districts. Yuen Long District had 244 children waitlisted for EETC services and required the largest number of EETC service places; and

(c) in planning the establishment of EETCs, there was no documentation indicating that SWD had conducted a district-level analysis covering all the districts in Hong Kong, based on the respective utilisation and waitlist situation (e.g. average waiting time and percentage of children waitlisted relative to service places) (paras. 1.7(c), 3.2 and 3.4).

11. ***Room for improvement in managing waiting time for EETC service places.*** Based on the figures as at 31 March of each year from 2022 to 2026, the average waiting time decreased from 5.4 months to 2.8 months, and the percentage of children waitlisted relative to service places decreased from 49% to 28%. Despite the overall improvement, a district-level analysis revealed significant disparities across districts. For example, as at 31 March 2026, the average waiting times in both Southern District and Wong Tai Sin District were 1.4 months. In contrast, in North District and Yuen Long District, the average waiting times were 7.8 months and 6.9 months respectively. SWD needs to continue its efforts to shorten the waiting time for EETC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places (paras. 3.10 and 3.12).

12. ***Need to deliver services in accordance with FSAs.*** NGOs are required to conduct self-assessments on the attainment of performance standards stipulated in FSAs. Audit visited three EETCs, namely EETCs A, B and C, operated by NGOs A, B and C respectively, in July and August 2026 and noted that, although the annual self-assessment reports of all three EETCs submitted to SWD for 2025-26 indicated that they had complied with all the requirements and standards in their respective FSAs, instances of non-compliance were observed. According to the FSA for EETC A, one of the ESRs is that the service must be opened for a total of 46 hours per week, with core service hours (i.e. hours during which the core activities set out in the FSA are carried out, including centre-based training and/or therapy) of at least 40 hours per week. However, there were occasions when this requirement was not met. For example, the centre was on holiday from 21 July to 8 August 2025, during which essential staff (e.g. occupational therapists) were deployed on a rotational basis and core activities were not carried out. However, the FSA for EETC A did not stipulate such arrangements or provide for any exemption period from the ESR on the provision of core services. There was also no documentation showing that SWD had approved such arrangements, and no adjustment had been made to the subvention for EETC A to account for the loss of service days/hours (paras. 3.15 to 3.19).

13. ***Need to ensure accuracy in reporting achievement of OSs.*** The FSAs for EETCs have stipulated two OSs regarding the rate of completing developmental assessments and the rate of achieving plans. NGOs are required to report to SWD the actual achievement of these OSs of their EETCs in accordance with the calculation bases stipulated in the FSAs. Audit noted that, in the half-yearly statistical information for 2025-26, when calculating the rates of achievement of the two OSs, EETCs B and C did not use the calculation bases stipulated in their FSAs (i.e. based on the "total enrolment of EETC service in the period"), resulting in overstatements of the rates of achievement. Audit recalculated the rates and noted that, had the total enrolment been used as stipulated in the FSAs, the EETCs would have failed to achieve 5 out of the 8 OSs (involving the two six-month reporting periods in 2025-26) (paras. 3.22 and 3.23).

14. ***Need to ensure provision and accurate reporting of value-added items.*** When submitting proposals to SWD for providing subvented services, an NGO may include value-added items to enhance the attractiveness of its proposals. These value-added items are included in the relevant FSA as pledged items, and the NGO concerned is required to report annually to SWD the provision of each item through statistical information. Audit noted that, of the 22 value-added items included in the FSA for EETC B, the provision of 3 items was inaccurately reported in the statistical information for 2025-26. For example, while EETC B had pledged to provide free-of-charge dental examination service for young children in a dental clinic operated by NGO B, the clinic specified in the FSA had been closed since 1 April 2019 (i.e. for over 7 years) (paras. 3.26 and 3.27).

15. ***Need to enhance coverage of items checked in performance assessment visits.*** According to SWD guidelines, the items checked during performance assessment visits to agreement service units include compliance with, and the accuracy of reported achievements of ESRs and Service Quality Standards (SQSs), and also cover OSs and Service Outcome Standards (OCs) if they are not achieved for a specified period. Audit noted that, under the current mechanism, whether the performance assessment visits cover OSs and OCs generally depends on the accuracy of the information reported by NGOs. There is merit in enhancing the scope of assessment items during performance assessment visits to include random checks on the accuracy of reported achievements of OSs and OCs (para. 3.37).

16. ***Need to enhance monitoring of provision of value-added items.*** Regarding value-added items included in FSAs, Audit noted that they were not specified as items to be checked in SWD's performance assessment visit checklist as of June 2026. There was also no documentary evidence showing that SWD had checked the value-added items during the visits. According to the LSG Subvention Manual, in evaluating NGOs for renewal of FSAs, the factors considered include service demand and the operator's satisfactory service performance, which should include the provision of value-added items (if any). Although EETC B failed to provide some of the value-added items (see para. 14), its agreement was renewed and all the value-added items continued to be included in the renewed FSA in 2023 (paras. 3.38 and 3.39).

## Special child care centres

17. SCCC provides full-day centre-based intensive training and care to Tier 3 children aged 2 to 6. According to SWD, Residential Special Child Care Centre (RSCCC) is an extension of SCCC that provides additional care and training services (e.g. residential and meal services) to service users with special needs. While some SCCCs offer only SCCC or RSCCC service places, others, in addition to SCCC service places, also offer EETC service places and/or RSCCC service places. In this Audit Report, these centres are collectively referred to as SCCCs unless otherwise specified. Some SCCCs also provide Occasional Child Care Service for Children with Disabilities (OCCS for CD), which offers a safe venue for temporary care to enable parents/carers to attend to personal or urgent matters. As of March 2026, 16 NGOs operated 52 SCCCs (involving 2,548 and 122 SCCC and RSCCC service places respectively), 36 of which also offered OCCS for CD places (paras. 1.7, 4.3 and 4.9).

18. ***Need to monitor utilisation rates of SCCC services places at some centres and OCCS for CD places.*** Audit examination found that: (a) as at 31 March of each year from 2022 to 2026 (i.e. past five years), the utilisation rates of SCCC and RSCCC service places ranged from 93% to 98% and from 85% to 88% respectively. However, the average utilisation rates over the past five years varied significantly across SCCCs (ranging from 53% to 100%). In particular, the average utilisation rates were relatively low for 2 centres offering SCCC service places (i.e. 53% and 65%) and 3 centres offering RSCCC service places (i.e. 55%, 75% and 82%); and (b) in 2025-26, while the agreed levels on the utilisation rate of OCCS for CD places stipulated in FSAs were 35% (for 35 SCCCs) or 40% (for 1 SCCC), the agreed levels

were not met by 21 (58%) SCCCs. In particular, the rates were less than 5% for 8 SCCCs (paras. 4.5, 4.6 and 4.10).

19. ***Scope for monitoring SCCC service place provision.*** In 2025-26, among the four main service types under PRS, the average waiting time for SCCC service places was the longest (i.e. 15.9 months, excluding RSCCC service places, which had an average waiting time of 2.5 months). Audit examination found that: (a) there were delays in the establishment of two new SCCCs (each providing 60 SCCC service places) by 2025-26. As of September 2026, they were not yet in operation; and (b) the waitlist situation of SCCC service places (excluding RSCCC service places), as reflected by the average waiting times in 2025-26 and the percentages of children waitlisted relative to service places as at 31 March 2026, varied across districts. For example, the percentages were 13% in Southern District, but 257% and 334% in Yuen Long District and Kwai Tsing District respectively (e.g. 107 children waitlisted relative to 32 service places in Kwai Tsing District) (paras. 4.16 to 4.18).

20. ***Need to strengthen monitoring of compliance with ESRs regarding service hours.*** FSAs stipulate the ESRs regarding the service hours for SCCC and RSCCC services. According to FSAs, such services shall be provided to service users five days a week, except for specific RSCCC services (e.g. residential services — see para. 17), which shall be provided seven days a week based on individual FSAs. Where service places are available, OCCS for CD shall be provided upon parents'/carers' applications. Audit visited three SCCCs and examined their relevant records for 2025-26. Audit found that:

(a) regarding the SCCC and/or RSCCC services to which the five-day service requirements applied, while the NGOs concerned declared in their annual self-assessment reports that all ESRs had been complied with, all three SCCCs scheduled school holidays on weekdays, with the shortfalls against the ESRs ranging from 30 to 33 days; and

(b) one SCCC charged 27 service users OCCS for CD fees when parents/carers requested child care services during school holidays or from 4:00 p.m. to 5:00 p.m. on school days, despite SCCC activities being provided from 9:00 a.m. to 5:00 p.m. Monday to Friday according to the SCCC's time-table approved by SWD (paras. 4.23 to 4.25).

21. ***Need to ensure accuracy and proper documentation of SCCCs' reported OS performance.*** According to FSAs, for SCCC and RSCCC services, two of the OSs required completing two developmental assessments for each child in a year and achieving the plans in a period of six months. According to SWD, SCCCs shall report their actual performance on OSs in the statistical information to SWD on a half-yearly basis. Based on the developmental assessment and individualised training programme plan completion records for 2025-26 for the three SCCCs visited, Audit recalculated the rates of achievement for the two OSs and found discrepancies in some of the rates for two SCCCs when compared with those reported in the SCCCs' half-yearly statistical information. For example, an SCCC reported that the rate of completing two developmental assessments for RSCCC services was 139% while the rate recalculated by Audit was 107%. In addition, Audit examined the relevant records of the 30 service users selected from the three SCCCs for 2025-26 and found that no documentation was available to show how one/both OSs were achieved for 2 service users from two SCCCs during their absences. For example, an SCCC regarded the individualised training programme plan covering the training period from August 2025 to January 2026 for a service user as completed even though the service user was absent from late August 2025 to March 2026 and no documentation was available to show that the goals in the plan were achieved (paras. 4.26 to 4.28).

22. ***Room for improvement in implementation of the special provision programme for autistic children.*** In 1994, SWD launched a special provision programme, providing enhanced services for autistic children in selected SCCCs, which were allocated extra resources. The programme services include periodic assessments by psychologist to monitor progress and discharge. Audit examination found that: (a) in 2025-26, for one of the three SCCCs visited, there was no documentation indicating that psychologists' periodic assessments had been provided to 5 autistic children; and (b) although all SCCCs are now required to provide services to autistic children regardless of whether the SCCCs have joined the programme and the programme had been in operation for more than 30 years as of September 2026, there was no documentation indicating that an evaluation of the programme had been conducted (paras. 4.29 to 4.31).

23. ***Room for improvement in monitoring NGOs' performance.*** According to the LSG Subvention Manual, NGOs are required to provide action plan(s) in the annual self-assessment reports if there is any under-performance against the stipulated OSs. Audit noted that, in practice, SCCCs with under-performance against OSs may agree with SWD on certain step-up measures (e.g. if the average attendance rate falls short of the agreed level by less than 10%, an NGO should provide two special

programmes). If the step-up measures are reported as having been fully implemented, the NGOs concerned are not required to report under-performance in the annual self-assessment reports or submit action plans, even when performance against the relevant OSs remains below the agreed levels. In 2025-26, 28 out of 52 SCCCs had reported under-performance against OSs, and the NGOs of 19 of these SCCCs had agreed with SWD on implementing step-up measures (paras. 4.36 to 4.38).

24. ***Room for improvement in Child Care Centres Advisory Inspectorate (CCCAI)'s inspection work.*** SCCCs must be registered and shall comply with the requirements stipulated in the Child Care Services Ordinance (Cap. 243) and the Child Care Services Regulations (Cap. 243A). SWD's CCCAI conducts various types of inspections (e.g. social work inspections) at SCCCs to monitor NGOs' compliance with these requirements. Audit examined the records of inspections conducted in 2025-26 for the three SCCCs visited and found that although an SCCC had fees imposed other than the inclusive monthly fee gazetted, for 5 social work inspections conducted at the SCCC, there was no documentation indicating that the inspectors had checked the consistency between the imposed fees and the approved fees as required in the checklist of social work inspection report (paras. 1.16, 4.12, 4.41 and 4.42).

25. ***Room for improvement in renewing FSAs.*** According to SWD, when renewing an expiring FSA, SWD reviews the SCCC's performance over the past 3 to 5 years in general, including their performance against OSs and compliance with ESRs and SQSs. Audit examined FSAs and their renewal records for the three SCCCs visited and noted that: (a) when evaluating compliance with ESRs and SQSs, SWD relied solely on the annual self-assessment reports it received and did not take into account a warning letter (relating to a non-compliance with an ESR) issued to the NGO of one SCCC during the FSA period; and (b) when evaluating performance against OSs with step-up measures, SWD took into account the achievement of the step-up measures but not the under-performance against the OSs (para. 4.43).

## Way forward

26. ***Need to closely monitor progress of implementing the new school-based model of PRS.*** According to SWD, as OPRS have achieved "zero waiting time" since 2024-25, it conducted a repositioning review on various PRS in October 2025 and concluded that a new school-based model would be fully implemented in

September 2027. The key features of the new model include optimising the use of resources by integrating IP and OPRS to establish a multidisciplinary collaboration platform within KGs/KG-cum-CCCs, and streamlining administrative procedures in service referrals so that children will no longer need to be waitlisted for the services. Audit noted that SWD had taken various actions to map out the implementation details of the new school-based model, including conducting the first trial run of the new model (from April to August 2026), as well as collecting implementation proposals from the NGOs concerned. As of September 2026, SWD's assessments of the NGOs' implementation proposals were in progress. In the same month, SWD commenced the second trial run of the new model. In October 2026, SWD consulted the Rehabilitation Advisory Committee and the LegCo Panel on Welfare Services on the new model. SWD has planned to consult the Commission on Children in the first quarter of 2027 (paras. 2.43, 5.3 and 5.4).

27. ***Need to keep under review the overall supply and demand for PRS.*** According to SWD, it has been closely monitoring the supply and demand of various types of PRS. However, Audit noted that, while projections were made for various types of PRS, SWD did not project the supply and demand for OPRS. Moreover, SWD had not taken into account the number of children receiving PRS from the private sector. Such children may seek subvented PRS, which could lead to changes in the overall demand and supply for the services. In light of the areas for improvement identified by Audit in the planning and delivery of different types of PRS and the related service support, SWD also needs to take these into account when planning the services in future (paras. 5.8 and 5.9).

## Audit recommendations

28. **Audit recommendations are made in the respective sections of this Audit Report. Only the key ones are highlighted in this Executive Summary. Audit has *recommended* that the Director of Social Welfare should:**

***Pre-school rehabilitation services provided in kindergartens/ kindergarten-cum-child care centres***

(a) **take into account the significant variations among individual OPRS teams in the number of Tier 1 children served when reviewing the number of service places and adjusting the amount of subvention accordingly in case of any resource allocation in future (para. 2.12(a));**

(b) **review the variations in the number of children served by individual OPRS teams for Tier 2 Services and take this into account in case of any resource allocation in future (para. 2.12(b));**

(c) **for public information, include OPRS Tier 1 Support Services when reporting OPRS statistics to LegCo (para. 2.12(c));**

(d) **require OPRS teams to maintain information on the dates of case referrals for Tier 1 Support Services from KGs/KG-cum-CCCs for monitoring purposes, and consider setting a time target for OPRS teams to provide Tier 1 Support Services after receiving case referrals from KGs/KG-cum-CCCs (para. 2.23(a) and (b));**

(e) **take appropriate follow-up actions on irregularities observed in the half-yearly statistical information (para. 2.23(e));**

(f) **keep under review the varying supply and demand for IP service places across districts and take follow-up actions as appropriate, including exploring, with the NGOs concerned, the feasibility of further reallocating resources to districts with higher demand for IP (para. 2.40(a));**

(g) **enhance measures to ensure that NGOs achieve the target average enrolment rate set out in FSAs (para. 2.40(b));**

(h) **in the event of persistent under-performance by NGOs operating IP, and where their remedial measures are found to be ineffective, consider adjusting the subvention, or taking other necessary actions in accordance with the LSG Subvention Manual (para. 2.40(c));**

(i) **take measures to ensure that NGOs operating IP employ an adequate number of IP teachers as essential staff required under FSAs, including ascertaining whether other NGOs also had similar instances of non-compliances and taking follow-up actions as appropriate (para. 2.40(d)(i));**

(j) **take follow-up actions when NGOs report that ESRs are not met (e.g. insufficient number of essential staff) (para. 2.40(e));**

*Early Education and Training Centres*

(k) **conduct regular district-level analyses based on utilisation and waitlist situation to support the planning of service capacity for EETCs, and to maintain the relevant documentation (para. 3.13(a));**

(l) **make continued efforts to shorten the waiting time for EETC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places (para. 3.13(c));**

(m) **take measures to ensure that EETCs comply with ESRs on the provision of services stipulated in FSAs (including the provision of core services) and accurately report their compliance to SWD (para. 3.32(a));**

(n) **critically review the special arrangements adopted by an EETC during holiday periods, and take follow-up actions as appropriate (para. 3.32(b));**

(o) **take measures to ensure that EETCs calculate and report the rates of achievement of OSs on completing developmental assessments and achieving plans to SWD in accordance with the requirements set out in FSAs (para. 3.32(d));**

(p) **take measures to ensure that EETCs deliver the value-added items pledged by NGOs, and that any deviations are accurately reported to SWD for consideration and for taking follow-up actions as deemed appropriate (para. 3.32(f));**

(q) **enhance the scope of assessment items during performance assessment visits to include random checks on the accuracy of reported achievements of OSs and OCs (para. 3.40(b));**

(r) **include value-added items in performance assessment visits with a view to ensuring that all key service performance standards are covered (para. 3.40(c));**

(s) **for FSA renewals that involve value-added items which have not been provided, require SWD staff to confirm with the NGOs concerned whether the items are still valid for inclusion in the new FSAs (para. 3.40(d));**

*Special child care centres*

(t) **closely monitor the utilisation rates of SCCC, RSCCC and OCCS for CD service places, and continue exploring appropriate measures to address the issues (para. 4.21(a) and (b));**

(u) **continue to closely monitor the implementation progress of the projects for establishing new SCCCs and continue efforts to shorten the waiting time for SCCC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places (para. 4.21(d) and (e));**

(v) **take measures to ensure that SCCCs provide services to service users in accordance with the ESRs regarding the service hours and that the NGOs concerned accurately report their compliances with the ESRs in the annual self-assessment reports, as well as review the over-charging cases identified by Audit and take follow-up actions as appropriate (para. 4.34(a) and (c));**

(w) **take measures to ensure that SCCCs accurately report their performance on OSs in the half-yearly statistical information, as well as review the instances where service users' absences resulted in the developmental assessments and individualised training programme plans not being completed/achieved, and take follow-up actions as appropriate (para. 4.34(d) and (e));**

(x) **take measures to ensure compliance with the service requirements for psychologists' periodic assessments for the special provision programme for autistic children, and conduct a review of the programme and take follow-up actions as appropriate (para. 4.34(f) and (g));**

(y) **review the practice of implementing step-up measures, including the waiver of action plan submission, and take follow-up actions as appropriate (para. 4.44(a));**

(z) **regarding CCCAI's inspections, take measures to ensure that inspectors conduct inspections properly (para. 4.44(c)(i));**

(aa) **take into account the actual non-compliances with ESRs and SQSs and the actual performance against OSs when reviewing the SCCCs' performance during the FSA renewal process (para. 4.44(d));**

*Way forward*

(ab) **closely monitor the progress of implementing the new school-based model of PRS, including taking measures to ensure the timely completion of assessment of NGOs' implementation proposals and the second trial run of the model, and consulting the relevant parties in accordance with SWD's implementation schedule, so as to facilitate the full implementation of the model in September 2027 as planned (para. 5.10(a));**

(ac) **keep under review the overall supply and demand for PRS, including making projections for all types of PRS at regular intervals that take into account children receiving PRS from the private sector, and make adjustments to service provision as appropriate to further improve the provision of PRS (para. 5.10(c)); and**

(ad) **take into account the audit observations and recommendations in the Audit Reports (including this Audit Report and Chapter 5 of the Director of Audit's Report No. 87) when planning the provision of subvented PRS and the related service support in future (para. 5.10(d)).**

## Response from the Government

29. The Director of Social Welfare agrees with the audit recommendations.

# PART 1: INTRODUCTION

1.1 This PART describes the background to the audit and outlines the audit objectives and scope.

## *Background*

1.2 The Social Welfare Department (SWD) is responsible for implementing the Government's policies on social welfare and for developing and coordinating social welfare services. It provides a network of rehabilitation services for persons with physical or intellectual disabilities, including subvented pre-school rehabilitation services (PRS) delivered mainly through various service units operated by non-governmental organisations (NGOs). Recognising the importance of early intervention for children in need of rehabilitation services, SWD's expenditure on the provision of PRS and pre-service support increased in recent years from about $2.1 billion in 2021-22 to about $2.8 billion in 2025-26. PRS target children aged under six who have disabilities or are at risk of becoming disabled. The objectives of PRS are:

(a) to provide early intervention to enhance the children's physical, psychological and social development;

(b) to improve the children's opportunities for attending ordinary schools and participating in daily activities; and

(c) to help families meet the children's special needs.

## *Child assessment services*

1.3 According to SWD, to be eligible for PRS, children should have been assessed by qualified professionals recognised by SWD (Note 1), including those from the Child Assessment Centres (CACs) of the Department of Health (DH) or the

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**Note 1:** *According to SWD, the qualified professionals comprise paediatricians, clinical/educational psychologists or other qualified professionals recognised by SWD.*

Hospital Authority (HA), or from the private sector. Services are also available to children awaiting professional assessments in order to enable early intervention. Eligible children are categorised into one of three tiers depending on the severity of disability:

(a) ***Tier 1 children.*** Children awaiting professional assessments, or assessed to have borderline developmental problems or special needs;

(b) ***Tier 2 children.*** Children assessed to have mild disabilities; or

(c) ***Tier 3 children.*** Children assessed to have moderate to severe disabilities.

1.4 DH and HA provide professional assessments and follow-up services (e.g. referrals for PRS) to children (under the age of 12 for DH's CACs and 18 for HA's CAC) who are suspected of having developmental problems (Note 2). These services are delivered through their CACs. Each CAC's multidisciplinary team (see Figure 1) mainly comprises paediatricians, registered nurses and allied health professionals (e.g. speech therapists and clinical psychologists).

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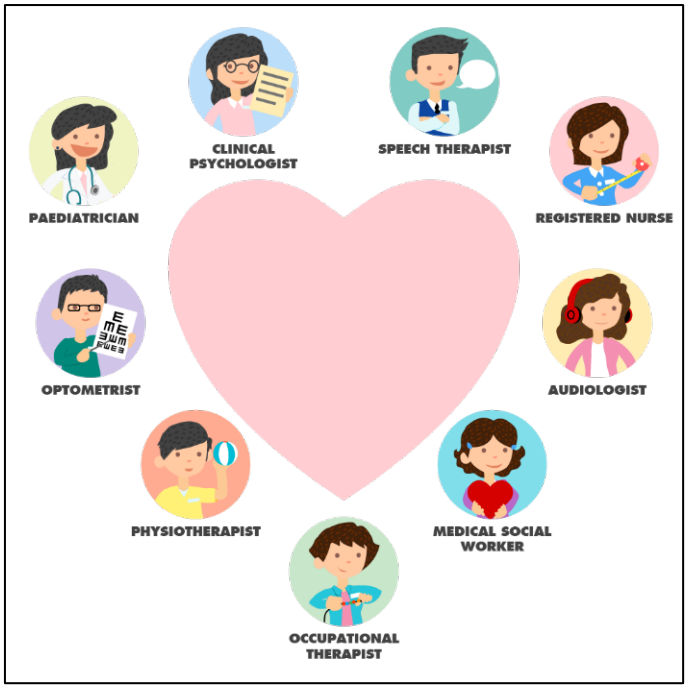
**Note 2:** *According to DH, common childhood developmental problems include acquired cognitive impairment, anxiety disorders, attention deficit/hyperactivity disorder, autism spectrum disorder, cerebral palsy, developmental coordination or language disorder, dyslexia, intellectual disability, and hearing or visual impairment.*

**Figure 1**

**CACs' multidisciplinary team**




*Source:* *DH records*

1.5 In 2025-26, for the provision of child assessment services, DH incurred expenditure of about $173.6 million and HA incurred expenditure of about $18 million (Note 3). In 2025, DH conducted professional assessments for 16,184 children aged under 12 (Note 4). In 2025-26, HA's paediatricians conducted professional assessments for 1,242 children aged under 6 (Note 5).

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**Note 3:** *According to DH and HA, the expenditure covers the provision of child assessment services for children aged under 6 (i.e. the target group of PRS) as well as those aged 6 and above. A separate breakdown of expenditure for children aged under 6 was not maintained. According to HA, in addition to professional assessments, its CAC also provides interventions for children with developmental, behavioural and neurological conditions. A separate breakdown of expenditure for professional assessment services was not maintained.*

**Note 4:** *According to DH, it did not maintain annual figures on the number of children assessed by age.*

**Note 5:** *According to HA, the number of children assessed by allied health professionals specifically for child assessment services was not available.*

## *Application and allocation of PRS placements*

1.6 The application and allocation of PRS placements involve the following processes:

(a) ***Application.*** For a Tier 1 child (see para. 1.3(a)), his/her parents may directly approach teachers, social workers or On-site Pre-school Rehabilitation Services (OPRS — see para. 1.7(a)) teams of the participating kindergartens (KGs) or kindergarten-cum-child care centres (KG-cum-CCCs) to apply for Tier 1 Support Services under OPRS. For a Tier 2 or Tier 3 child (see para. 1.3(b) and (c)), an application for PRS should be submitted through a social worker (i.e. referrer — Note 6) by completing a registration form to SWD;

(b) ***Case registration in Central Referral System for Rehabilitation Services (CRSRehab).*** Upon receiving a duly completed registration form, SWD will place the case on the waiting list in CRSRehab (Note 7) based on the service type(s) (see para. 1.7) (Note 8) recommended in the assessment report (Note 9). The applicant may indicate their preferred region/district/centre, and rank these preferences on the registration form; and

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**Note 6:** *According to SWD, referrals may be made by social workers from medical social services units, integrated family service centres, family and child protective services units, adoption unit, social work service unit for KGs and KG-cum-CCCs or other designated service units.*

**Note 7:** *Established in 1987, CRSRehab is operated by SWD to process applications for PRS and other rehabilitation services (e.g. elderly persons with visual impairment).*

**Note 8:** *According to SWD, in case where recommendations are made for more than one service type, the applicant concerned is only allowed to apply and be waitlisted for one service, except for transitional service placements of OPRS (for applicants waitlisted for Special Child Care Centre) and Early Education and Training Centre (for applicants waitlisted for OPRS aged under 3, Integrated Programme in Kindergarten-cum-Child Care Centre aged under 2, or Special Child Care Centre) (see para. 1.7). The applicant's chosen service should therefore be indicated on the registration form.*

**Note 9:** *According to SWD, it accepts assessment reports issued within six months by qualified professionals recognised by SWD for the purpose of waitlisting for PRS.*

(c) ***Case matching and placement allocation.*** When a vacancy or an anticipated vacancy is identified in a service unit, the NGO concerned is required to notify SWD. SWD will then conduct case matching using CRSRehab, based on the application date and region/district/centre preference. After CRSRehab selects an applicant for admission, SWD will review the case matching results and inform the referrer of the placement offer. The referrer should follow up with the applicant's parent(s)/guardian(s) and inform SWD of the decision. Upon acceptance, the referrer will notify the NGO concerned to proceed with the intake and admission process.

## *Delivery of PRS*

1.7 Under subvented PRS, four main service types are provided mainly through service units operated by NGOs, as follows:

(a) ***OPRS.*** Under OPRS, Tier 1 Support Services are provided to Tier 1 children (see para. 1.3(a)) and Tier 2 Services are provided to Tier 2 children (see para. 1.3(b)) aged under six who are attending KGs or KG-cum-CCCs (Note 10). An inter-disciplinary service team (comprising professionals such as registered social workers, physiotherapists, occupational therapists, speech therapists, clinical/educational psychologists and special child care workers) mainly provides on-site rehabilitation training and support services to children under a school-based approach, as well as professional support to teachers, child care workers and parents;

(b) ***Integrated Programme in Kindergarten-cum-Child Care Centre (IP).*** IP provides training and care to Tier 2 children aged 2 to 6 in

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**Note 10:** *KG education is provided for children generally aged 3 to 6 and regulated by the Education Bureau under the Education Ordinance (Cap. 279). Child care services, on the other hand, are provided for children generally aged 0 to below 3 and are regulated by SWD under the Child Care Services Ordinance (Cap. 243). To provide one-stop services to operators choosing to operate both a KG and a child care centre in the same premises (i.e. KG-cum-CCC), the Education Bureau has set up the Joint Office for Kindergartens and Child Care Centres (staffed by officers of the Education Bureau and officers seconded from SWD) to regulate KG-cum-CCCs under the above Ordinances. The Education Bureau's work relating to KGs and KG-cum-CCCs is not covered in this audit review.*

KG-cum-CCCs to help them integrate into mainstream curriculum and daily social life. A designated child care worker (i.e. IP teacher) in a KG-cum-CCC provides intensive school-based training to children under a teacher-to-student ratio of 1:6. SWD also provides various consultation and support services to IP through its Central Psychological Support Service (CPSS — Note 11) and Central Para-medical Support Service (CPMS — Note 12), as well as the District-based Speech Therapy Teams (DSTTs) operated by NGOs;

(c) ***Early Education and Training Centre (EETC).*** EETC provides early intervention and training programmes to Tier 2 and Tier 3 (see para. 1.3(c)) children aged 0 to 2, as well as Tier 2 children aged 2 to 6, with particular attention on the caring and training role to be played by the parents/carers. Some EETCs also provide Occasional Child Care Service for Children with Disabilities (OCCS for CD), which offers a safe venue for temporary care to enable parents/carers to attend to personal or urgent matters; and

(d) ***Special Child Care Centre (SCCC).*** SCCC provides full-day centre-based intensive training and care to Tier 3 children aged 2 to 6. According to SWD, Residential Special Child Care Centre (RSCCC) is an extension of SCCC that provides additional care and training services (e.g. residential and meal services) to service users with special needs (Note 13). While some SCCCs offer only SCCC or RSCCC service places, others, in addition to SCCC service places, also offer EETC service places and/or RSCCC service places. In this Audit Report, these centres are collectively referred to as SCCCs unless otherwise specified. Some SCCCs also provide OCCS for CD similar to that of EETCs (see (c) above).

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**Note 11:** *Clinical psychologists under CPSS of SWD are responsible for providing psychological consultation and support services to the children, their parents/carers and IP teachers.*

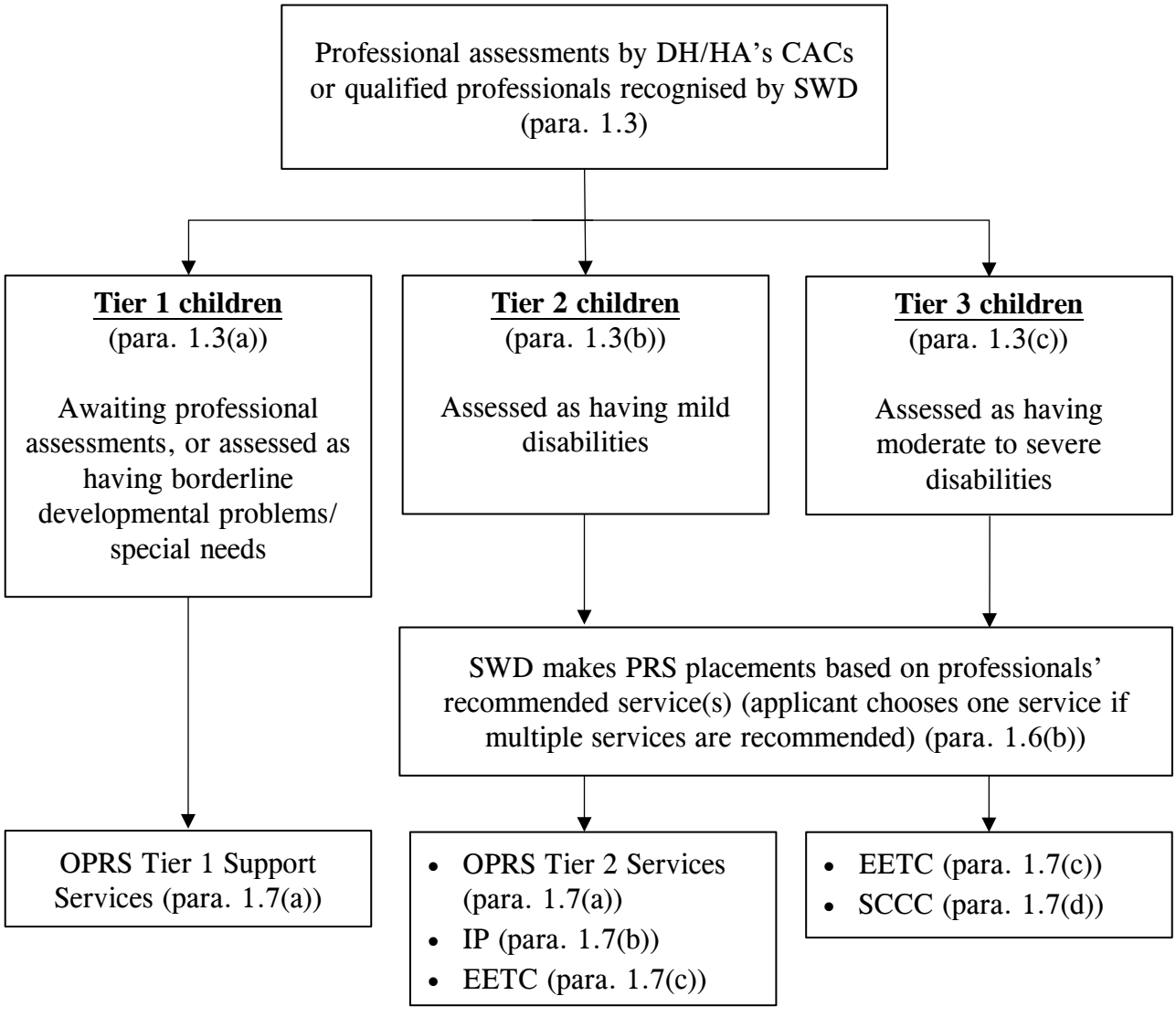
**Note 12:** *Occupational therapists and physiotherapists under CPMS of SWD are responsible for providing assessments and training to the children, as well as professional advice to their parents/carers and IP teachers.*

**Note 13:** *According to SWD, RSCCC targets children whose disabilities are so severe or complex that they require intensive and continuous care and therapy, and children with disabilities who are homeless, abandoned, living in adverse home or family environments, and without alternative placement.*

Figure 2 shows the types of PRS provided to children with different levels of disability as determined through professional assessments.

**Figure 2**

**Key workflow for assessment and placement into PRS (31 March 2026)**




*Source: Audit Commission's analysis of SWD records*

## *Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services (TSP)*

1.8 SWD administers TSP to enable children waiting for subvented PRS to acquire self-financing services run by Recognised Service Providers (RSPs). To be eligible for TSP, a child should be aged under six, on the waiting list in CRSRehab and not receiving any subvented PRS. There are two levels of training subsidy. As of September 2026, the maximum amounts of subsidy were as follows:

(a) Normal Level Subsidy, with a maximum subsidy of $3,549 per month, for a child waitlisted for a service place in OPRS, IP or EETCs; and

(b) Higher Level Subsidy, with a maximum subsidy of $6,904 per month, for a child waitlisted for a service place in SCCCs.

1.9 According to SWD, applicants for Normal Level Subsidy are subject to a means test under which their monthly household income must not exceed 75% of the Median Monthly Domestic Household Income based on the General Household Survey published by the Census and Statistics Department at the time of application. The training subsidy will be released directly to RSPs after SWD has verified the required documents.

## *Support for transition to primary schools*

1.10 According to SWD, to strengthen the transition support between KGs and primary schools for pre-school children with special needs upon reaching the age of six, a collaborative mechanism has been put in place among SWD, DH, HA and the Education Bureau to ensure that recipient primary schools are informed of the children's special needs. Under the mechanism, and upon obtaining parental consent, DH/HA will send the children's assessment information, while NGOs'/RSPs' service units (subvented/subsidised by SWD) will provide progress reports to the recipient primary schools (via the Education Bureau), enabling the schools to arrange appropriate support for the children and facilitate their integration into primary school lives.

## *Key statistics and expenditure of PRS*

1.11 According to SWD, it incurred a total expenditure of about $2.8 billion on the provision of PRS and pre-service support in 2025-26. Table 1 shows the key statistics and expenditure for PRS and pre-service support.

**Table 1**

**Key statistics and expenditure for PRS and pre-service support**

| Service type | Number (as at 31 March 2026) | | | | 2025-26 revised estimates ($ million) |
|---|---|---|---|---|---|
| | NGOs/RSPs involved (Note 1) | Service units | Service places | Service users | |
| OPRS | 21 | 85 service teams (for 876 KGs/ KG-cum-CCCs) | 10,124 | 10,050 (Note 2) | 1,289.6 |
| IP | 46 | 213 KG-cum-CCCs | 1,974 | 1,864 | 167.6 |
| EETC | 17 | 62 centres | 4,677 | 4,559 | 416.1 |
| SCCC | 16 | 52 centres (including 6 RSCCCs) | 2,670 | 2,556 | 756.0 (Note 3) |
| TSP | 34 | 136 centres | 3,092 | 2,662 (Note 4) | 128.1 |
| | | | | Total | 2,757.4 |

*Source:* *SWD records*

*Note 1:* *Some NGOs may receive subvention from SWD under two or more service types of PRS. As at 31 March 2026, a total of 67 NGOs/RSPs provided subvented PRS and/or services under TSP.*

*Note 2:* *The figure refers to the number of service users receiving OPRS Tier 2 Services as at 31 March 2026. In addition, according to SWD, 10,300 service users received OPRS Tier 1 Support Services in 2025-26, and NGOs are required to provide such services as and when necessary.*

*Note 3:* *The figure shown includes $4.8 million incurred for OCCS for CD (see para. 1.7(c) and (d)). According to SWD, the majority of OCCS for CD is provided by SCCCs and a breakdown of expenditure for OCCS for CD provided in SCCCs and EETCs is not readily available.*

*Note 4:* *The figure refers to the number of TSP beneficiaries in 2025-26.*

## *Monitoring delivery of PRS*

1.12 ***Monitoring of subvented PRS under Lump Sum Grant (LSG) Subvention System.*** For subvented PRS provided by service units operated by NGOs, SWD has signed Funding and Service Agreements (FSAs) with the NGOs under the LSG Subvention System (Note 14), setting out the required performance standards of services to be provided, including:

(a) ***Essential Service Requirements (ESRs).*** ESRs specify the necessary features of the infrastructure for a specific service (e.g. operating hours and essential staffing);

(b) ***Service Output Standards (OSs).*** OSs are used to measure the service volume and an NGO is required to meet the agreed level of service outputs (e.g. enrolment rate and number of cases served);

(c) ***Service Outcome Standards (OCs).*** OCs are used to evaluate the effectiveness of services and an NGO is required to meet the agreed level of service outcomes (e.g. rate of satisfaction by service users and/or their family members); and

(d) ***Service Quality Standards (SQSs).*** SQSs define the level of which, in terms of management and service provision, service units are expected to attain. There are 16 SQSs covering four principles (Note 15) that set out the core values of welfare services. For each of the 16 SQSs, there is a set of criteria elaborating the SQS requirements.

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**Note 14:** *Since 2001, SWD has implemented the LSG Subvention System under which recurrent subvention is allocated on an NGO basis with grants in a lump sum for operating subvented welfare services governed by the respective FSAs.*

**Note 15:** *The four principles are: (a) clearly defining the purpose and objectives of the service, with a transparent mode of service delivery; (b) managing resources effectively, flexibly and keeping pace with the times to continuously improve service quality; (c) identifying and meeting service users' specific needs; and (d) respecting the rights of service users.*

1.13 SWD monitors and evaluates the quality of subvented services through an established monitoring mechanism, as follows:

(a) ***Self-assessment and regular reporting by NGOs.*** NGOs should conduct self-assessment on the attainment of performance standards stipulated in FSAs (see para. 1.12) and submit regular reports to SWD, including:

(i) half-yearly statistical information on the actual performance on OSs and OCs in respect of each subvented service unit; and

(ii) an annual self-assessment report on the overall attainment in ESRs, OSs, OCs and SQSs in respect of all subvented service units of an NGO;

(b) ***Performance assessment visits by SWD.*** SWD conducts performance assessment visits to subvented service units, using a risk-based approach to monitor their service performance; and

(c) ***Follow-up actions on non-compliance and under-performance.*** In cases of non-compliance or under-performance of any ESRs, OSs, OCs and/or SQSs, the NGO concerned should provide action plan(s) in the annual self-assessment report and implement the plan(s) within a specified timeframe. In the event of serious non-compliance or persistent under-performance, SWD may consider the reduction or withdrawal of subvention, and the variation or termination of the FSA concerned for the NGO or service unit in question.

1.14 ***Monitoring of services provided by SWD staff of CPSS and CPMS.*** For the services provided by SWD staff of CPSS and CPMS (see para. 1.7(b)), SWD has formulated performance standards (e.g. ESRs, OSs and OCs) similar to those set out in FSAs for NGOs. According to SWD, its senior management regularly monitors the service performance of CPSS and CPMS.

1.15 ***Regulation of SCCCs under Child Care Services Ordinance (Cap. 243).*** Under the Ordinance and its subsidiary legislation, all child care centres (including SCCCs) must be registered and maintained at a standard which provides adequate care for children's physical, social, emotional and intellectual development. SWD is responsible for conducting regular and surprise inspections to child care centres to monitor the operators' compliance with the statutory requirements.

## *Responsible departments and organisation*

1.16 According to SWD, four branches of SWD are primarily involved in the provision of PRS, as follows:

(a) the Rehabilitation and Medical Social Services Branch is responsible for the planning, development and implementation of PRS (e.g. inviting service proposals from NGOs, formulating performance standards and monitoring the operation of CPMS), and administering TSP and CRSRehab. As at 31 March 2026, a strength of 45 civil servants in the Branch was involved in the provision of PRS (Note 16) (against an establishment of 58 civil servants);

(b) the Subventions Branch is responsible for the monitoring and evaluation of the service quality provided by NGOs (including subvented PRS) (e.g. examining reports submitted by NGOs and conducting performance assessment visits). According to SWD, as the Branch is involved in the monitoring of NGOs straddling different service programmes, it does not maintain a breakdown of staff establishment and strength solely for PRS;

(c) the Clinical Psychological Service Branch is responsible for the provision of CPSS for IP and other PRS units. As at 31 March 2026, it had an establishment and strength of 8 civil servants for the provision of PRS; and

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**Note 16:** *According to SWD, the 45 staff involved in the provision of PRS comprised 13 staff responsible for the planning, development and implementation of PRS, 12 staff responsible for administering TSP and CRSRehab, as well as 20 staff of CPMS providing direct services to both PRS and adult rehabilitation services.*

(d) the Child Care Centres Advisory Inspectorate (CCCAI) under the Licensing and Regulation Branch is responsible for the registration and regulation of SCCCs under the Child Care Services Ordinance. As at 31 March 2026, it had an establishment and strength of 7 civil servants (supported by 2 post-retirement service contract staff) for the registration and monitoring of all child care centres (including SCCCs).

An extract of the organisation chart of SWD (as at 31 March 2026) is at Appendix A.

1.17 The Child Assessment Service (headed by a Consultant Paediatrician) under the Specialised Services Branch of DH is responsible for providing child assessment services. As at 31 March 2026, it had a strength of 132 civil servants (against an establishment of 190 civil servants). For HA, as at 31 March 2026, a strength of about 23 staff were involved in providing the child assessment services (Note 17).

## Audit review

1.18 In May 2026, the Audit Commission (Audit) commenced a review to examine the provision of PRS. The findings of this audit review are contained in two separate Audit Reports, as follows:

(a) "Pre-school rehabilitation services: Service delivery" (the subject matter of this Audit Report); and

(b) "Pre-school rehabilitation services: Pre-service support and administrative issues" (Chapter 5 of the Director of Audit's Report No. 87).

**Note 17:** *According to HA, the CAC is located in the Duchess of Kent Children's Hospital at Sandy Bay, and there is no separate staff establishment for its child assessment services in the Hospital. Child assessment service is an integral part of the services provided by the Department of Paediatrics and Adolescent Medicine of the Queen Mary Hospital, and the Chief of Service of the Department oversees HA's child assessment services.*

1.19 This Audit Report focuses on the following areas:

(a) PRS provided in KGs/KG-cum-CCCs (PART 2);

(b) EETCs (PART 3);

(c) SCCCs (PART 4); and

(d) way forward (PART 5).

Audit has found room for improvement in the above areas and has made a number of recommendations to address the issues.

## General response from the Government

1.20 The Secretary for Labour and Welfare and the Director of Social Welfare agree with the audit recommendations.

## Acknowledgement

1.21 Audit would like to acknowledge with gratitude the full cooperation of the staff of SWD during the course of the audit review.

# PART 2: PRE-SCHOOL REHABILITATION SERVICES PROVIDED IN KINDERGARTENS/ KINDERGARTEN-CUM-CHILD CARE CENTRES

2.1 This PART examines issues related to PRS provided in KGs/ KG-cum-CCCs, focusing on the following areas:

(a) delivery of OPRS (paras. 2.4 to 2.13);

(b) monitoring of the delivery of OPRS (paras. 2.14 to 2.24);

(c) IP (paras. 2.25 to 2.41); and

(d) new school-based model of PRS (paras. 2.42 to 2.48).

## *OPRS*

2.2 According to SWD, OPRS are a spectrum of on-site rehabilitation training and support services for children with different levels of disabilities and special needs, including Tier 1 and Tier 2 children (see para. 1.3(a) and (b)) aged under six who are attending KGs/KG-cum-CCCs. Apart from providing services to children under a school-based approach, an inter-disciplinary service team also provides professional support to teachers, child care workers and parents (see para. 1.7(a)). A service team mainly provides the following services in KGs/KG-cum-CCCs:

(a) ***Tier 1 Support Services.*** Parents of Tier 1 children may approach teachers, social workers or OPRS teams of the participating KGs/KG-cum-CCCs to apply for Tier 1 Support Services. OPRS teams will approach the parents for arranging the services once the eligibility of the applicants is established. According to SWD, a typical OPRS team serving 100 Tier 1 children is required to deliver at least 1,250 training hours of Tier 1 Support

Services per year, including at least 172 therapist training hours (Note 18). An OPRS team also provides developmental assessments, conducted by at least one specialist, to evaluate a child's performance in the relevant skill areas; and

(b) ***Tier 2 Services.*** Services are provided to Tier 2 children after they have been registered in CRSRehab (Note 19). According to SWD, before 2024, services were only provided when vacancies were available according to a pre-set capacity indicated in the system. Since 2024, OPRS teams have been required to provide immediate professional intervention and support to the children and their parents upon receiving referrals from SWD. The service package is adjusted from time to time according to the children's training needs and progress, parents' readiness and the support provided by the KGs/KG-cum-CCCs. According to SWD, a typical OPRS team serving 100 Tier 2 children is required to deliver at least 5,000 training hours of Tier 2 Services per year, including at least 2,580 therapist training hours. An OPRS team also provides developmental assessments, conducted by more than one specialist, to evaluate a child's performance in the relevant skill areas.

According to SWD, an OPRS team also provides individual training plans (covering objectives, specific goals, the process of service delivery, programme content, and the timeframe for achieving or reviewing goals) and conducts case review conferences with at least two professionals involved for each child under Tier 1 Support Services and Tier 2 Services.

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**Note 18:** *According to SWD, therapist training hours refer to the training hours provided by clinical psychologists, educational psychologists, occupational therapists, physiotherapists or speech therapists in an OPRS team.*

**Note 19:** *According to SWD, in April 2026, it launched the first trial run of the new school-based model of PRS (see para. 5.3) to streamline the intake procedures with a view to removing the requirement of making registrations in CRSRehab.*

2.3 As at 31 March 2026, 21 NGOs operated 85 service teams providing OPRS in 876 KGs/KG-cum-CCCs. Table 2 and Table 3 show the key statistics for Tier 1 Support Services and Tier 2 Services respectively.

**Table 2**

**Key statistics for OPRS Tier 1 Support Services (August 2020 to March 2026)**

| Item | Aug 2020 to Mar 2023 | 2023-24 | | 2024-25 | 2025-26 |
|---|---|---|---|---|---|
| | | Apr to Aug 2023 | Sep 2023 to Mar 2024 | | |
| Number of service users | 3,584 | 347 | 6,245 | 10,315 | 10,300 |
| Number of service places stated in FSAs | N.A. (Note 1) | | 10,124 (Note 2) | 10,124 (Note 2) | 10,124 (Note 2) |

*Source:* *SWD records*

*Note 1:* *SWD launched a pilot project on Tier 1 Support Services from 1 August 2020 to 31 August 2023 serving 3,931 children in total. According to SWD, there was no fixed number of service places under the pilot project. Tier 1 Support Services were regularised on 1 September 2023.*

*Note 2:* *According to SWD, the numbers of service places for Tier 1 Support Services stated in FSAs were for reference and calculation purposes only, and OPRS teams were required to take up Tier 1 cases whenever necessary (see also para. 2.6).*

**Table 3**

**Key statistics for OPRS Tier 2 Services (2022 to 2026)**

| Item | As at 31 March | | | | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** |
| Number of service users (a) | 8,933 | 9,949 | 10,104 | 10,081 | 10,050 |
| Number of service places (b) | 9,074 | 10,074 | 10,124 | 10,124 | 10,124 |
| Utilisation rate (c)=(a)÷(b)×100% | 98.4% | 98.8% | 99.8% | 99.6% | 99.3% |
| Average waiting time (months) (Note 1) | 4.3 | 4.2 | 3.4 | N.A. (Note 2) | |
| Number of children waitlisted (as recorded in CRSRehab) | 3,459 | 4,297 | 5,899 | | |

*Source:* *Audit analysis of SWD records*

*Note 1:* *According to SWD, waiting time is calculated based on the number of applicants who are offered a PRS placement in a financial year, measured from the date of application to the date of the placement offer. The average waiting time is calculated by averaging the individual waiting times of these applicants. The calculation excludes children who remained on the waiting list as at the end of the financial year (i.e. 31 March), as well as cases classified by SWD as outliers (e.g. requests from existing service users for changes in service type or centre).*

*Note 2:* *According to SWD:*

*(a) OPRS have achieved "zero waiting time" since 2024-25, and therefore the average waiting time was not applicable; and*

*(b) 5,046 and 3,712 children were registered for OPRS in CRSRehab as at 31 March 2025 and 31 March 2026 respectively, and immediate support services were in place to ensure that the needs of the children and families were addressed (see para. 2.2(b)).*

# Delivery of On-site Pre-school Rehabilitation Services

## *Need to take into account significant variations in Tier 1 children served when reviewing the number of service places*

2.4 According to FSAs (Note 20), each OPRS team is required to provide Tier 1 Support Services for not fewer than 100 Tier 1 children in order to offer comprehensive and timely assistance to them. Audit analysis of SWD's data found significant variations in the number of children served across the 85 OPRS teams (see para. 2.3) for Tier 1 Support Services. For example, in 2025-26, 21 (25% of 85) teams served fewer than the required 100 children (ranging from 53 to 98), 2 (2%) teams served exactly 100 children and 62 (73%) teams served more than 100 children (ranging from 101 to 224).

2.5 According to SWD:

(a) subject to compliance with the LSG Subvention Manual and the relevant rules of subvention, NGOs may deploy LSG resources (except for provident fund) across different cost items and agreement service units subvented by SWD for providing services with the intended purposes and objectives as governed by FSAs; and

(b) although some OPRS teams served fewer than 100 Tier 1 children in 2025-26, all 85 OPRS teams were able to deliver the required number of training hours for Tier 1 Support Services (Note 21) in accordance with the relevant OSs stipulated in the FSAs concerned.

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**Note 20:** *The FSAs for 21 NGOs operating 85 OPRS teams are valid for five years from October 2022 to September 2027.*

**Note 21:** *According to FSAs, a typical OPRS team serving 100 Tier 1 children is required to deliver at least 1,250 training hours, including at least 172 therapist training hours under Tier 1 Support Services in a year (see para. 2.2(a)).*

2.6 While noting SWD's explanations, Audit noted that SWD calculated the amount of subvention for Tier 1 Support Services (Note 22) mainly based on the number of service places stated in FSAs, which ranged from 100 to 154 (Note 23) for each OPRS team. In Audit's view, SWD needs to take into account the significant variations among individual OPRS teams in the number of Tier 1 children served when reviewing the number of service places and adjusting the amount of subvention accordingly in case of any resource allocation in future.

### *Need to review variations in number of users of Tier 2 Services across OPRS teams*

2.7 Audit analysis of SWD's data revealed variations in the number of children served by individual OPRS teams for Tier 2 Services. For example, as at 31 March 2026, the number of children served by each of the 85 OPRS teams for Tier 2 Services ranged from 94 to 153, with utilisation rates ranging from 94% to 107%. In particular, 4 OPRS teams recorded utilisation rates exceeding 100%, ranging from 101% to 107%.

2.8 For OPRS teams with utilisation rates exceeding 100%, upon enquiry, SWD informed Audit in July and October 2026 that:

(a) SWD had introduced a tier-movement mechanism to encourage children receiving Tier 2 Services who had shown improvement to move to Tier 1 Support Services in order to release service places under Tier 2 Services for new users. For reporting purposes, on top of new users, OPRS teams counted the original children as users of Tier 2 Services under the tier-movement mechanism, as these children might return to Tier 2 Services without going through the application process again should their condition

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**Note 22:** *According to SWD, in 2025-26, an NGO operating a typical OPRS team with 100 Tier 1 Support Services places stated in FSA received a subvention of about $1.64 million. The actual amount of subvention for each NGO was adjusted on a pro-rata basis.*

**Note 23:** *According to SWD, the numbers of service places for Tier 1 Support Services stated in FSAs were for reference and calculation purposes only, and OPRS teams were required to take up Tier 1 cases whenever necessary. Of the total 10,124 service places stated in FSAs of all 21 NGOs operating 85 OPRS teams, 124 service places were value-added initiatives proposed for 22 teams (ranging from 2 to 12 places for each team) and were not included in the calculation of the subvention amount.*

deteriorate (Note 24). To serve the best interests of children and their parents, it was necessary to reserve places in Tier 2 Services temporarily (around six months) as an "insurance plan" to ease their minds. Otherwise, they would be reluctant to move to Tier 1 Support Services for fear of losing the places in Tier 2 Services and having to undergo child assessment (see para. 1.3) again. This arrangement allowed case movement and turnover of places in Tier 2 Services to benefit more children in need of the necessary services; and

(b) to maximise service opportunities for applicants, when a place in Tier 2 Services was temporarily reserved for the original child, the place was simultaneously open to applications from other children. In case the original child moved back to Tier 2 Services but his/her place had already been filled by another child, the OPRS team concerned would have to serve both children without any additional resources from SWD. Therefore, the utilisation rates of some OPRS teams could exceed 100%.

2.9 While noting SWD's explanations, Audit considers that SWD needs to review the variations in the number of children served by individual OPRS teams for Tier 2 Services and take this into account in case of any resource allocation in future.

## *Need for comprehensive reporting of OPRS statistics*

2.10 Audit noted that, during the examination of the estimates of expenditure, some Legislative Council (LegCo) Members raised questions regarding service statistics of PRS (e.g. number of new applicants and service users). In response, SWD reported the statistics of OPRS Tier 2 Services, IP, EETC and SCCC to LegCo. While SWD provided two types of OPRS to service users (see para. 2.2), it only reported the statistics of Tier 2 Services to LegCo and not those of Tier 1 Support Services.

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**Note 24:** *According to SWD, the purpose of this arrangement was to provide a buffer to encourage children who had shown significant improvement to transit from Tier 2 Services (i.e. intensive, largely individualised and pull-out training model) to Tier 1 Support Services (i.e. classroom-based interventions and school routine-based training) in order to facilitate their integration into daily school life.*

2.11 Upon enquiry, SWD informed Audit in October 2026 that, following the practice adopted in the pilot project on Tier 1 Support Services (see Note 1 to Table 2 in para. 2.3), SWD used to report statistics on Tier 1 Support Services separately. For example, in response to a LegCo Member's question on the details of work related to the regularisation of Tier 1 Support Services during the examination of the estimates of expenditure in April 2025, SWD reported the number of KGs/KG-cum-CCCs, the staffing establishment of an OPRS team and the estimated expenditure relating to Tier 1 Support Services for 2025-26 among other information. However, Audit noted that, in response to other LegCo Members' questions on the number of new applicants and service users of OPRS, SWD only reported the relevant statistics of Tier 2 Services and not those of Tier 1 Support Services. In Audit's view, as SWD already regularised Tier 1 Support Services under OPRS in September 2023, it also needs to report the related statistics to LegCo for public information.

## Audit recommendations

2.12 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **take into account the significant variations among individual OPRS teams in the number of Tier 1 children served when reviewing the number of service places and adjusting the amount of subvention accordingly in case of any resource allocation in future;**

(b) **review the variations in the number of children served by individual OPRS teams for Tier 2 Services and take this into account in case of any resource allocation in future; and**

(c) **for public information, include OPRS Tier 1 Support Services when reporting OPRS statistics to LegCo.**

## Response from the Government

2.13 The Director of Social Welfare agrees with the audit recommendations.

# Monitoring of the delivery of On-site Pre-school Rehabilitation Services

## *Need to enhance monitoring of the delivery of OPRS Tier 1 Support Services*

2.14 For a Tier 1 child, his/her parents may apply for Tier 1 Support Services by directly approaching the KG/KG-cum-CCC concerned, which will refer the case to the responsible OPRS team to provide the services. According to SWD guidelines, after admitting a case for Tier 1 Support Services, the OPRS team concerned should submit the case information (e.g. the child's personal particulars, date and reason for admission, and major types of special needs) to SWD.

2.15 Between July and September 2026, Audit selected three NGOs and visited one OPRS team (i.e. Team A, Team B and Team C) from each NGO (Note 25) to review their delivery of OPRS. Audit observations related to Tier 1 Support Services are reported in paragraphs 2.16 to 2.18.

2.16 According to the three OPRS teams visited by Audit:

(a) for children awaiting professional assessments or assessed as having borderline developmental problem, the OPRS teams would arrange the provision of Tier 1 Support Services directly upon verification of the applicants' eligibility; and

(b) for other children suspected of having special needs, the KGs/ KG-cum-CCCs would complete a standardised screening checklist for each child and refer the children to OPRS teams.

**Note 25:** *The selected three NGOs had the largest number of service places for Tier 1 Support Services and Tier 2 Services as at 31 March 2026. Audit visited one OPRS team from each NGO, with the teams located on Hong Kong Island, in Kowloon and in the New Territories respectively.*

2.17 In 2025-26, the three OPRS teams visited by Audit admitted a total of 349 children (129 by Team A, 130 by Team B and 90 by Team C) for Tier 1 Support Services. In reviewing the time taken by OPRS teams to provide the services to children after receiving the case information from KGs/KG-cum-CCCs, Audit noted that:

(a) ***Information on dates of case referrals not maintained by two OPRS teams.*** Among the three OPRS teams, only Team A maintained information on the dates of case referrals from KGs/KG-cum-CCCs for all 129 children. Teams B and C did not maintain such information and could only provide Audit with the dates of completion of the standardised screening checklists for children suspected of having special needs (see para. 2.16(b)). Without this information, the number of children pending the provision of Tier 1 Support Services and the timeliness of OPRS teams in providing the services could not be effectively monitored. For analysis purposes, Audit took the date of completion of the standardised screening checklist (where available) as the date of receipt of case information from KG/KG-cum-CCCs. In this regard, Audit noted that Team B admitted 91 children (Note 26) and Team C admitted 85 children for Tier 1 Support Services after the completion of the checklists;

(b) ***Variations in the time required to provide Tier 1 Support Services.*** For the 305 children (comprising 129 children with case referral dates maintained by OPRS Team A, and 91 and 85 with the completion dates of the standardised screening checklists provided by Team B and Team C respectively), Audit analysis found that it took an average of 26 days for the teams to provide Tier 1 Support Services after receiving case information from KGs/KG-cum-CCCs. Specifically, Team A, Team B and Team C took an average of 25, 18 and 36 days respectively. Upon enquiry, SWD informed Audit in October 2026 that, after completion of the standardised screening checklists, the processing time might be lengthened if KGs/KG-cum-CCCs required additional time to obtain consent from parents for contacting OPRS teams; and

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**Note 26:** *For Team B, 39 children were admitted to Tier 1 Support Services before the completion of the standardised screening checklists, and they were therefore excluded from the Audit analysis (see para. 2.17(b)).*

(c) ***Reasons for longer time taken not documented by an OPRS team.*** Audit selected five cases with the longest processing time from each OPRS team to examine the related admission records. Audit noted that, while Teams A and B documented the reasons (Note 27) for the longer processing time, Team C did not do so in the admission records.

2.18 ***Need to consider setting time target for provision of OPRS Tier 1 Support Services.*** In this connection, Audit noted that, while SWD had not specified a time target for OPRS teams to provide Tier 1 Support Services after receiving case referrals from KGs/KG-cum-CCCs, SWD had set time targets for NGOs to provide other service types under PRS, including:

(a) for IP, EETC and SCCC, NGOs were required to admit applicants within 6 weeks (Note 28) from the date of placement offer issued from SWD; and

(b) for OPRS Tier 2 Services, NGOs were required to contact the applicants within 10 working days upon receipt of case information from SWD.

## *Room for improvement in reporting of half-yearly statistical information and follow-up of reported figures for OPRS Tier 2 Services*

2.19 At half-yearly intervals, OPRS teams were required to submit statistical information to SWD, including the numbers of new cases received and the training hours delivered to children in a month. Audit examined the half-yearly statistical information submitted for 2025-26 by the three OPRS teams visited and identified room for improvement. Audit found that the teams adopted different reporting practices, as follows:

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**Note 27:** *According to the admission records, the two OPRS teams took a longer time to provide Tier 1 Support Services mainly because they were only able to reach the parents concerned after repeated attempts or the parents required additional time for consideration.*

**Note 28:** *For reference, if the same time target of 6 weeks (i.e. 42 days) was applied to the 305 children mentioned in paragraph 2.17(b), 56 (18%) children, comprising 25 from Team A, 6 from Team B and 25 from Team C, received Tier 1 Support Services more than 6 weeks after referral from KGs/KG-cum-CCCs.*

(a) when reporting statistical information on the number of new cases for Tier 2 Services received, OPRS Team A reported the number of children started receiving the services in a month, instead of the number of new cases for Tier 2 Services received from SWD in the month, as required by the related statistical form. For example, according to Team A's records, SWD referred 22 cases for Tier 2 Services to the Team in September 2025. However, in the half-yearly statistical information, Team A reported that only 11 new cases had been received in that month (Note 29); and

(b) unlike OPRS Team A's practice, Teams B and C reported the number of new cases for Tier 2 Services received from SWD in a given month in accordance with the related statistical form. For example, according to Team B's records, SWD referred 1 case for Tier 2 Services to the Team in September 2025, and the Team reported in the half-yearly statistical information that 1 new case had been received in that month while the Team had not yet provided services to the child.

2.20 Audit noted that SWD had not issued guidelines on the reporting of the number of new cases for Tier 2 Services (e.g. whether the number of new cases reported in the half-yearly statistical information for a month should exclude children not receiving Tier 2 Services in that month). Moreover, although the number of new cases reported by OPRS Team A in the half-yearly statistical information was different from the number referred by SWD (see para. 2.19(a)), there was no evidence that SWD had taken any follow-up actions on the discrepancy.

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**Note 29:** *According to OPRS Team A's records, of the 22 cases for Tier 2 Services referred by SWD in September 2025:*

*(a) the 11 cases reported in the half-yearly statistical information referred to children started receiving Tier 2 Services in that month; and*

*(b) the remaining 11 cases were not included in the September 2025 report because 5 children did not receive Tier 2 Services, and 6 children started receiving Tier 2 Services in October 2025 and were recorded in the October 2025 report of the half-yearly statistical information.*

### *Need to maintain complete information on coverage of OPRS*

2.21 Audit noted that:

(a) under the SQS on the preparation of service information, a service unit should maintain up-to-date service information in clear and easily understandable language (e.g. service leaflets or brochures), covering its purpose, objectives, target service users, mode of service delivery, and mechanisms for service users to apply for and withdraw from the service;

(b) under the SQS on the information relating to service entry and exit, a service unit should maintain documentation that details the policies, procedures and criteria for application, entering and leaving the service; and

(c) according to the above SQSs, the relevant information should be accessible to service users, other interested parties and members of the public.

2.22 However, Audit found that the service information (e.g. service leaflets or brochures) maintained by OPRS Team B did not fully describe the coverage of OPRS provided by the Team, as required under the related SQSs. Consequently, the information was not accessible to service users, other interested parties and members of the public.

## Audit recommendations

2.23 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **require OPRS teams to maintain information on the dates of case referrals for Tier 1 Support Services from KGs/KG-cum-CCCs for monitoring purposes;**

(b) **consider setting a time target for OPRS teams to provide Tier 1 Support Services after receiving case referrals from KGs/KG-cum-CCCs, with reference to the time targets set for other service types under PRS;**

(c) **require OPRS teams to document the reasons for taking a longer period to provide Tier 1 Support Services;**

(d) **issue guidelines to OPRS teams to ensure consistent reporting of the number of new cases registered for Tier 2 Services;**

(e) **take appropriate follow-up actions on irregularities observed in the half-yearly statistical information (e.g. when the number of new cases registered for Tier 2 Services reported by OPRS teams differs from the number of cases referred by SWD); and**

(f) **require NGOs to maintain complete information on the coverage of OPRS, and ensure that such information is accessible to service users, other interested parties and members of the public as required under the related SQSs.**

## Response from the Government

2.24 The Director of Social Welfare agrees with the audit recommendations.

## Integrated Programme in Kindergarten-cum-Child Care Centre

2.25 According to SWD, IP provides training and care to Tier 2 children aged 2 to 6 in KG-cum-CCCs (operated by NGOs) to help them integrate into mainstream curriculum and daily social life. An IP teacher in a KG-cum-CCC provides intensive school-based training to children under a teacher-to-student ratio of 1:6 (see para. 1.7(b)). Table 4 shows the key statistics for IP over the past five years.

**Table 4**

**Key statistics for IP**
**(2022 to 2026)**

| Item | As at 31 March | | | | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** |
| Number of service users (a) | 1,938 | 1,924 | 1,904 | 1,868 | 1,864 |
| Number of service places (b) | 1,980 | 1,980 | 1,980 | 1,974 | 1,974 |
| Enrolment rate (c)=(a)÷(b)×100% | 97.9% | 97.2% | 96.2% | 94.6% | 94.4% |
| Average waiting time (months) | 6.3 | 5.3 | 3.6 | 3.7 | 3.7 |
| Number of children waitlisted (as recorded in CRSRehab) | 682 | 601 | 604 | 631 | 525 |

*Source: Audit analysis of SWD records*

### *Varying levels of supply and demand for IP service places across districts*

2.26 As shown in Table 4, the enrolment rate of IP had shown a downward trend in recent years, decreasing from 97.9% as at 31 March 2022 to 94.4% as at 31 March 2026. Moreover, as at 31 March 2026, although 110 (1,974 minus 1,864) service places were available, 525 children were waitlisted for IP. Audit also noted that the supply and demand for IP service places varied across districts, for example:

(a) some districts recorded relatively low enrolment rates (i.e. below 90%), such as Central and Western District (55.6%), Southern District (85%), Eastern District (86.3%), Tseung Kwan O District (86.7%) and Wan Chai District (88.9%); and

(b) other districts recorded relatively high demand for IP service places (i.e. with over 40 waitlisted children), such as Yuen Long District (66 children), Sha Tin District (56 children), Tai Po District (48 children), North District (46 children) and Tuen Mun District (42 children).

2.27 Audit found that some NGOs provided IP in districts with relatively low enrolment rates while also providing IP in other districts with relatively high demand. For example, an NGO operated 9 KG-cum-CCCs across 7 districts, providing a total of 96 IP service places as of March 2026. According to SWD records, a KG-cum-CCC operated by the NGO in the Central and Western District (with 2 IP teachers and 12 IP service places) had an average IP enrolment rate of 43% in 2025-26, and another KG-cum-CCC operated by the same NGO in Sha Tin District (with 1 IP teacher and 6 IP service places) had an average IP enrolment rate of 95%.

2.28 Upon enquiry, SWD informed Audit in September and October 2026 that some districts had relatively low IP enrolment rates possibly due to factors including the preference of some parents for choosing OPRS over IP for the children, and the declining birth rate and ageing population in certain districts. According to SWD, certain IP resources had already been reallocated. While noting SWD's explanations, given the varying supply and demand for IP service places across districts, Audit considers that SWD needs to keep the situation under review and take follow-up actions as appropriate, including exploring, with the NGOs concerned, the feasibility of further reallocating resources to districts with higher demand for IP.

## *Target average enrolment rate for IP not achieved*

2.29 According to FSAs for IP, SWD has set out performance standards for compliance by NGOs, including:

(a) ***ESRs.*** These include the requirement on service hours (i.e. from 8 a.m. to 6 p.m. on Monday to Friday and from 8 a.m. to 1 p.m. on Saturday) and the requirement for an essential staff (i.e. a designated child care worker (Note 30) — IP teacher), with 1 IP teacher for every 6 IP service places;

(b) ***OSs.*** These include achieving an average enrolment rate of 90% in a year and completing 95% of the required plans within a six-month period; and

**Note 30:** *According to SWD, a child care worker should be registered under the Child Care Services Ordinance upon successful completion of a training course approved by SWD.*

(c) ***OC.*** This requires that 70% of parents/guardians/family members indicate satisfaction with IP services in a year.

2.30 Audit analysis found that:

(a) in 2025-26, of the 213 KG-cum-CCCs operating IP, 33 (15%) did not achieve the target average enrolment rate of 90% (see para. 2.29(b)) specified in FSAs, with the actual rate ranging from 25% to 88%; and

(b) for 5 consecutive years from 2021-22 to 2025-26, 4 KG-cum-CCCs did not achieve the target average enrolment rate of 90% specified in FSAs. For 4 consecutive years from 2022-23 to 2025-26, 2 other KG-cum-CCCs did not achieve the target rate.

2.31 For the 6 KG-cum-CCCs (2 in Central and Western District, 2 in Eastern District, 1 in Southern District and 1 in Tseung Kwan O District) mentioned in paragraph 2.30(b), the NGOs concerned indicated to SWD that the under-achievement of OS in the relevant years was mainly due to insufficient number of referrals from CRSRehab. They also submitted action plans indicating that they would enhance promotional efforts to attract more applications. However, Audit noted that such promotional efforts might not be very effective in improving the IP enrolment rate of some KG-cum-CCCs. For example, a KG-cum-CCC had an average enrolment rate of 72% in 2021-22, and the NGO concerned proposed to promote IP through means such as social media, banners, seminars and parents-children activities. The average enrolment rate slightly improved to 75% in 2022-23 and 77% in 2023-24, but subsequently dropped to 72% in 2024-25 and 49% in 2025-26.

2.32 In Audit's view, to ensure effective and optimal use of SWD's subvention for IP (Note 31), SWD needs to enhance measures to ensure that NGOs achieve the target average enrolment rate set out in FSAs, including reviewing the effectiveness of the measures proposed in NGOs' action plans and considering further reallocating resources to districts with higher demand for IP (see para. 2.28). In the event of persistent under-performance by NGOs operating IP, and where their remedial

**Note 31:** *According to SWD, in 2025-26, the subvention for 1 IP teacher (for every 6 IP service places) was about $0.5 million and SWD provided a total of $165.9 million to NGOs operating IP.*

measures are found to be ineffective, SWD needs to consider adjusting the subvention, or taking other necessary actions (e.g. varying FSAs for NGOs) in accordance with the LSG Subvention Manual.

### *Need to review staff qualification requirements stipulated in FSAs for IP*

2.33 According to SWD's information on subvented PRS available on its website, individual and group training of children under IP would be provided by a designated special child care worker. However, FSAs for IP only specified a designated child care worker as an ESR (see para. 2.29(a)). Audit noted that a child care worker must successfully complete additional training courses approved by SWD in order to qualify as a special child care worker. In Audit's view, SWD needs to review, and revise as appropriate, the staff qualification requirements stipulated in FSAs for IP in order to ensure alignment with the service information provided to the general public.

### *Need to ensure adequate provision of essential staff for IP*

2.34 In July and August 2026, Audit selected three NGOs and visited one KG-cum-CCC from each NGO (Note 32) to review their delivery of IP. Audit found room for improvement in one of the KG-cum-CCCs visited (i.e. KG-cum-CCC A) and the related findings are reported in paragraphs 2.35 to 2.37.

2.35 According to FSA for IP, one of the ESRs is the provision of an IP teacher as an essential staff, at a ratio of 1 IP teacher for every 6 IP service places (see para. 2.29(a)). In this regard, KG-cum-CCC A provided 12 IP service places and therefore 2 IP teachers should have been employed as essential staff. However, Audit examination found that:

**Note 32:** *The selected three NGOs had the largest number of IP service places as at 31 March 2026. Audit visited one KG-cum-CCC operated by each of the three NGOs, with the KG-cum-CCCs located on Hong Kong Island, in Kowloon and in the New Territories, respectively.*

(a) during the periods from September 2022 to August 2023 and from December 2023 to August 2025, KG-cum-CCC A employed only 1 IP teacher to provide IP for 7 to 10 children, thereby failing to meet the required number of essential staff under the relevant ESR stipulated in FSA;

(b) according to the corresponding half-yearly statistical information (see para. 1.13(a)(i)) submitted to SWD, KG-cum-CCC A reported that only 1 IP teacher was employed for 12 IP service places. However, there was no evidence showing that SWD had taken any follow-up actions in response to the above statistical information; and

(c) according to the annual self-assessment reports (see para. 1.13(a)(ii)) for 2022-23 to 2025-26 submitted to SWD, the NGO operating KG-cum-CCC A indicated that all subvented service units attained the ESRs stipulated in the respective FSAs, despite the fact that KG-cum-CCC A had a shortage of 1 IP teacher.

2.36 Upon enquiry, KG-cum-CCC A informed Audit in September 2026 that 1 of the 2 IP teachers had resigned in 2022 and it took a prolonged period to recruit a replacement. During the interim period, the KG-cum-CCC arranged another staff (Note 33) to support the work of the remaining IP teacher.

2.37 For the NGO operating KG-cum-CCC A, Audit noted that it operated a total of 25 KG-cum-CCCs providing IP as at 31 March 2026. Audit examined the half-yearly statistical information submitted by the NGO for 2024-25 and 2025-26 and found that, apart from KG-cum-CCC A, 4 other KG-cum-CCCs operated by the NGO also did not employ an adequate number of IP teachers, with the period of shortage ranging from 1 to 6 months (averaging 3 months). Given that a considerable number of the KG-cum-CCCs were found to have failed to meet the ESR on required essential staffing levels, Audit considers that SWD needs to take measures to ensure that NGOs operating IP employ an adequate number of IP teachers as essential staff required under FSAs, including ascertaining whether other NGOs also had similar instances of

**Note 33:** *According to KG-cum-CCC A, two KG teachers (who also held qualifications to handle children with special needs) were temporarily arranged on a rotational basis to undertake the supporting role on top of their own teaching duties. As these KG teachers were not IP teacher designated to take care of Tier 2 children under IP, they were not regarded as designated child care workers required under the FSA (see para. 2.29(a)).*

non-compliances and taking follow-up actions as appropriate. SWD also needs to take measures to ensure that NGOs' annual self-assessment reports accurately reflect the actual attainment of ESRs by their service units, and take follow-up actions when NGOs report that ESRs are not met (e.g. insufficient number of essential staff).

### *Need to ensure compliance with CPSS OSs and establish OCs for CPMS*

2.38 Similar to FSAs for NGOs operating IP, SWD has also formulated service documents for its CPSS and CPMS on the delivery of PRS, setting various performance standards including:

(a) ***ESRs.*** These include having essential staff required to provide the services (i.e. clinical psychologist in CPSS and occupational therapist/ physiotherapist in CPMS);

(b) ***OSs.*** These include conducting the required number of centre visits in a year (e.g. 143 visits per clinical psychologist) and meeting the required number of clinical assessments/consultations in a year (e.g. 960 clinical assessments/consultations/support service in consultation service per physiotherapist); and

(c) ***OCs.*** For CPSS, these include 80% of clients indicating satisfaction upon completion of psychological treatment and 80% of PRS units (see para. 1.16(c)) indicating satisfaction in the regular customer satisfaction survey (no OC is set for CPMS).

2.39 Audit examination found that:

(a) for CPSS, while the service document stipulated a yearly target of 143 centre visits, each clinical psychologist conducted 131, 135 and 134 centre visits on average in 2023-24, 2024-25 and 2025-26 respectively, falling short of the yearly target by 5.6% to 8.4%; and

(b) in contrast to CPSS, SWD did not formulate any OC for CPMS to evaluate the effectiveness of services provided (e.g. satisfaction level of service users).

## Audit recommendations

2.40 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **keep under review the varying supply and demand for IP service places across districts and take follow-up actions as appropriate, including exploring, with the NGOs concerned, the feasibility of further reallocating resources to districts with higher demand for IP;**

(b) **enhance measures to ensure that NGOs achieve the target average enrolment rate set out in FSAs, and review, and revise as appropriate, the staff qualification requirements stipulated in FSAs for IP;**

(c) **in the event of persistent under-performance by NGOs operating IP, and where their remedial measures are found to be ineffective, consider adjusting the subvention, or taking other necessary actions in accordance with the LSG Subvention Manual;**

(d) **take measures to ensure that:**

(i) **NGOs operating IP employ an adequate number of IP teachers as essential staff required under FSAs, including ascertaining whether other NGOs also had similar instances of non-compliances and taking follow-up actions as appropriate; and**

(ii) **NGOs' annual self-assessment reports accurately reflect the actual attainment of ESRs by their service units;**

(e) **take follow-up actions when NGOs report that ESRs are not met (e.g. insufficient number of essential staff);**

(f) **take measures to ensure that clinical psychologists conduct the required number of centre visits specified in the CPSS service document; and**

(g) **consider establishing appropriate OCs for CPMS with reference to the OCs set for CPSS.**

## Response from the Government

2.41 The Director of Social Welfare agrees with the audit recommendations.

## New school-based model of pre-school rehabilitation services

2.42 According to the "Persons with Disabilities and Rehabilitation Programme Plan" issued by the Rehabilitation Advisory Committee (Note 34) in June 2020, the Government should, in the long run and when the waiting time for PRS is substantially shortened, review the positioning of various PRS for further enhancing the services so as to achieve the target of early intervention.

2.43 ***New school-based model.*** According to SWD, as OPRS have achieved "zero waiting time" since 2024-25 (see Note 2 to Table 3 in para. 2.3), it conducted a repositioning review on various PRS in October 2025 and concluded that a new school-based model would be fully implemented in September 2027. The key features of the new model are as follows:

(a) ***Optimising use of resources.*** The new school-based model will integrate IP and OPRS to establish a multidisciplinary collaboration platform within KGs/KG-cum-CCCs, thereby providing children with coherent and comprehensive services;

(b) ***Streamlining administrative procedures in service referrals.*** KGs/ KG-cum-CCCs and OPRS teams will handle service referrals directly and admit children with special needs. Children will no longer need to be waitlisted for the services;

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**Note 34:** *The Rehabilitation Advisory Committee is the Government's advisory body on matters pertaining to the well-being of persons with disabilities as well as the development and implementation of rehabilitation policies and services. The "Persons with Disabilities and Rehabilitation Programme Plan" sets out the strategic directions and measures to address the service needs of persons with disabilities, including PRS for children aged under six.*

(c) ***Providing early identification and support.*** OPRS teams will collaborate with KGs/KG-cum-CCCs (and IP teachers if applicable) to identify children with special needs and provide school-based Tier 1 Support Services (see para. 2.2(a)) for those who show signs of disabilities. If children are assessed to require a higher level of support (i.e. Tier 2 or above), the OPRS teams (and IP teachers if applicable) will provide step-up intervention without the need for the children to be waitlisted for services; and

(d) ***Providing tailor-made services based on children's special needs.*** Through regular progress review meetings and consultations among the OPRS team, IP teacher (if applicable) and KG/KG-cum-CCC concerned, a tailor-made rehabilitation training plan will be designed for each child according to his/her special needs at different stages. The child may exit from or re-enter the service at any time commensurate with the actual needs.

2.44 ***Proposed bridging and support services.*** In June 2026, in order to further support children with special needs in their transition to primary school life and to relieve the pressure on parents and carers, SWD planned to provide bridging and support services (Note 35) as an integral service component under the new school-based model for children receiving OPRS. According to SWD, OPRS teams will provide bridging and support services to children in their last school term in KGs/KG-cum-CCCs starting from February 2027, and about 10,000 children will benefit from the proposed bridging and support services each year.

## *Need to formulate staff redeployment plans and revise service documents for CPSS and CPMS*

2.45 According to SWD, upon the implementation of the new school-based model of PRS in September 2027, the services currently provided under IP through DSTTs (by NGOs), CPSS and CPMS (by SWD) would be taken over by

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**Note 35:** *Under the proposed bridging and support services, about six months before the children enter primary school (i.e. the last school term in KGs/KG-cum-CCCs), OPRS teams will provide adaptation training and support through individual or group activities, homes visits and community visits. The services will continue through the children's first term in primary school to facilitate their adaptation to primary school life and connection with the community support network.*

inter-disciplinary OPRS teams. For more efficient use of resources, the existing annual subvention of $18.6 million for DSTTs would be integrated with OPRS, and the functions of CPSS and CPMS would be further examined in the long run.

2.46 Audit noted that, in 2025-26, 8 clinical psychologists (in CPSS), 13 occupational therapists and 5 physiotherapists (in CPMS) of SWD were involved in providing IP. However, as of August 2026, SWD had not formulated plans for redeploying relevant SWD staff to other service areas to ensure beneficial use of the staff resources. As CPSS and CPMS also provide services to other users (e.g. disabled adults) apart from children under six in PRS, SWD needs to take early actions to revise the service documents for CPSS and CPMS (see para. 2.38) in light of the changes arising from the full implementation of the new school-based model.

## Audit recommendation

2.47 **Audit has *recommended* that the Director of Social Welfare should take early actions to formulate staff redeployment plans and revise the service documents for CPSS and CPMS in light of the changes arising from the full implementation of the new school-based model of PRS**.

## Response from the Government

2.48 The Director of Social Welfare agrees with the audit recommendation.

# PART 3: EARLY EDUCATION AND TRAINING CENTRES

3.1 This PART examines issues relating to EETCs, focusing on the following areas:

(a) capacity planning and utilisation (paras. 3.2 to 3.14);

(b) delivery of services (paras. 3.15 to 3.33); and

(c) monitoring of service delivery (paras. 3.34 to 3.41).

## Capacity planning and utilisation

3.2 According to SWD, EETC is the first step for parents of children with disabilities or developmental difficulties across a range of PRS. Its objective is to maximise the developmental functioning of children with disabilities or developmental difficulties by supporting and enabling parents/family members/carers to accept, understand, care for and facilitate the development of their children. The salient features of EETC are as follows:

(a) ***Target groups.*** The target groups of EETC are:

(i) children with disabilities from birth to the age of 2 (Note 36);

(ii) children with disabilities from the age of 2 to 6 who meet the eligibility criteria for EETC only and have not yet started primary school (Note 37); and

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**Note 36:** *These include children assessed as experiencing physical disability (including cerebral palsy), intellectual disability, visual impairment, other congenital abnormalities, developmental delay, or other developmental difficulties (i.e. pre-mature or underweight babies).*

**Note 37:** *These include children assessed as experiencing global delay (including speech delay), borderline intellectual delay, physical disability and social behavioural problems, or inadequate teaching or training from parents/family members/carers.*

(iii) where vacancy exists, children with disabilities under 6 on the waiting lists for other PRS; and

(b) ***Service scope.*** EETCs provide a range of services for children with disabilities and their parents/family members/carers, including:

(i) ***Developmental assessments and individualised training programmes.*** Each child is assessed upon admission and periodically thereafter. The results of the developmental assessments are used to plan an individualised training programme which sets learning goals for the parents and child;

(ii) ***Centre-based individual and group training and/or therapy.*** The child and parents/family members/carers may attend centre-based programmes together, on an individual or group basis, at least once a week and practise the skills in daily life. Occupational therapy, physiotherapy, and speech therapy services are provided as appropriate. Toys are available for parents to borrow in order to facilitate home training;

(iii) ***Support and education to parents/family members/carers.*** Guidance, counselling and support are provided to parents/family members/carers to enhance acceptance and understanding in order to facilitate the overall development of their children with disabilities. Moreover, educational programmes are organised to equip them with knowledge and skills in facilitating the speech and language development of their children; and

(iv) ***Home-based services.*** The above-mentioned services may be provided on an outreach basis in service users' homes in cases where parents/family members/carers have difficulties in bringing their children to the centre.

As of March 2026, 62 EETCs were operated by 17 NGOs, providing 4,677 service places (including EETC service places offered in SCCC-cum-EETCs — see para. 4.3(b)).

## *Room for improvement in capacity planning and establishment of EETCs*

3.3 According to SWD, regarding the planning of service capacity and the establishment of EETCs:

(a) reference is made to the population-based planning standard including the projected population aged 0 to 6 (Note 38); and

(b) it had taken into account the numbers of cases enrolled and on the waiting list for EETC services on an on-going basis.

A total of 9 EETCs were established in the period from 2021-22 to 2025-26. The establishment of 4 additional EETCs is planned for the period from 2026-27 to 2030-31.

3.4 ***Shortfalls in service places in certain districts.*** Audit analyses found that, as at 31 March 2026:

(a) there were significant variations in the average waiting times and the percentages of children waitlisted relative to service places across different districts (Note 39) (see para. 3.10(b)). Yuen Long District and North District were among those with the longest average waiting times and the highest percentages of children waitlisted; and

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**Note 38:** *According to the Hong Kong Planning Standards and Guidelines for Community Facilities, a combined population-based planning standard at the district level is made for EETCs and SCCCs, which is 23 subvented service places per 1,000 children aged 0 to 6. The standard should be applied flexibly having regard to a number of factors to be considered by SWD, including the distribution of EETCs/SCCCs, availability of suitable sites or premises in different districts, district characteristics and service demand resulting from population growth and demographic changes.*

**Note 39:** *The percentage is calculated based on the residential districts of the children waitlisted relative to the service places available in those districts. According to SWD, district-level waitlist statistics by the preferred EETC locations are not readily available, as some applicants do not indicate preferred districts or centres, while others may change their preferences after registration. Using the residential districts of waitlisted children therefore provides a more representative basis for analysis, since parents tend to choose centres within their own districts.*

(b) Yuen Long District had 244 children waitlisted for EETC services and required the largest number of EETC service places. Based on the population-based planning standard (see para. 3.3(a)) and the projection of population aged 0 to 6 in 2030 provided by SWD, Yuen Long District would remain to be the district requiring the largest total number of service places for EETCs and SCCCs, amounting to 646 places. However, when compared with the projected number of service places in 2030 (Note 40), there will be a shortfall of 304 service places.

Audit noted that, in planning the establishment of EETCs, there was no documentation indicating that SWD had conducted a district-level analysis covering all the districts in Hong Kong, based on the respective utilisation and waitlist situation (e.g. average waiting time and percentage of children waitlisted relative to service places).

3.5 Upon enquiry, SWD informed Audit in October 2026 that its planning had already taken district-level factors into account. For example, in relation to the long-term planned establishment of an EETC in North District beyond 2030, district-level data had been used to support the need for this establishment.

3.6 While noting SWD's explanations, Audit considers that, given there are still significant variances in the waitlist situation and shortfalls in service places in some districts, SWD needs to conduct regular district-level analyses based on utilisation and waitlist situation to support the planning of service capacity for EETCs, and to maintain the relevant documentation.

3.7 ***Delay in establishment of an EETC.*** According to SWD, it had planned to establish a new EETC in Kwun Tong District with 90 service places by 2025-26. However, as of September 2026, the EETC was not yet in operation.

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**Note 40:** *This comprises the existing 282 service places for EETCs and SCCCs in the district as of March 2026 and the planned establishment of an SCCC providing 60 service places in 2029-30. There is no planned establishment of EETC in Yuen Long District up to 2030.*

3.8 Upon enquiry, SWD informed Audit in July 2026 that the establishment of the EETC had been rescheduled to 2026-27. As the centre was part of a public works project, the delay in construction works resulted in the site handover date being postponed by 9 months, from November 2025 to August 2026. The NGO operator selection process was completed in July 2026, and that the EETC was expected to commence operation in October 2026. In Audit's view, SWD needs to continue to closely monitor the progress of the planned establishment of the EETC and take follow-up actions as appropriate.

## *Room for improvement in managing waiting time for EETC service places*

3.9 According to the Government, early intervention is important for children with disabilities or developmental difficulties, and EETC is the first step in the rehabilitation services for these children. It is imperative to provide EETC services to children in need as early as possible. Table 5 shows the utilisation and the waitlist situation of EETC service places from 2022 to 2026.

**Table 5**

**Utilisation and waitlist situation of EETC service places (2022 to 2026)**

| Item | As at 31 March | | | | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** |
| Number of service users (a) | 3,980 | 4,179 | 4,252 | 4,565 | 4,559 |
| Number of service places (b) | 4,174 | 4,393 | 4,413 | 4,677 | 4,677 |
| Utilisation rate (c)=(a)÷(b)×100% | 95% | 95% | 96% | 98% | 97% |
| Average waiting time (months) | 5.4 | 5.0 | 5.0 | 3.4 | 2.8 |
| Number of children waitlisted (as recorded in CRSRehab) (d) | 2,034 | 2,143 | 2,013 | 1,803 | 1,320 |
| Percentage of children waitlisted relative to service places (e)=(d)÷(b)×100% | 49% | 49% | 46% | 39% | 28% |

*Source: Audit analysis of SWD records*

3.10 Audit analyses revealed that:

(a) based on the figures as at 31 March of each year from 2022 to 2026, the increase in service places corresponded with a reduction in average waiting time from 5.4 months to 2.8 months. There was also a decrease in the number of children waitlisted from 2,034 to 1,320, and the percentage of children waitlisted relative to service places decreased from 49% to 28% (see Table 5 in para. 3.9); and

(b) despite the overall improvement (see (a) above), a district-level analysis revealed significant disparities across districts. For example, as at 31 March 2026, the average waiting times in both Southern District and Wong Tai Sin District were 1.4 months. In contrast, in North District and Yuen Long District, the average waiting times were 7.8 months and 6.9 months respectively. As for the percentage of children waitlisted relative to service places, while the percentage for Wong Tai Sin District was 7% (i.e. 26 children waitlisted relative to 384 service places), the percentage for Yuen Long District was 142% (i.e. 244 children waitlisted relative to 172 service places).

3.11 Audit noted that SWD conducted a repositioning review in October 2025 and concluded that a new school-based model was to be implemented for PRS (see para. 2.43). According to SWD, upon implementation of the new school-based model, the training needs of most of the children studying in KGs/KG-cum-CCCs could be met by the school-based service teams, and EETC services would be refocused on serving, for example, children below the age of three with mild to severe disabilities (see Note 74 to para. 5.6).

3.12 In Audit's view, before the impact of the new school-based model of PRS on EETCs becomes evident, SWD needs to continue its efforts to shorten the waiting time for EETC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places. Audit also noted that, as of August 2026, apart from the number of children waitlisted by district based on the residential districts of applicants, SWD did not maintain other management information on the waitlist situation across districts (e.g. average waiting time and percentage of children waitlisted relative to service places by district). There is merit in SWD regularly compiling relevant management information to facilitate the planning and management of EETC service places.

## Audit recommendations

3.13 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **conduct regular district-level analyses based on utilisation and waitlist situation to support the planning of service capacity for EETCs, and to maintain the relevant documentation;**

(b) **continue to closely monitor the progress of the planned establishment of the EETC and take follow-up actions as appropriate;**

(c) **make continued efforts to shorten the waiting time for EETC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places; and**

(d) **regularly compile management information on the waitlist situation across districts to facilitate the planning and management of EETC service places.**

## Response from the Government

3.14 The Director of Social Welfare agrees with the audit recommendations.

## Delivery of services

3.15 SWD enters into FSAs with the NGOs for each EETC, which set out the requirements and standards governing the provision of services, including ESRs, OSs, OCs and SQSs (see para. 1.12). Audit visited three EETCs, namely EETCs A, B and C (Note 41), operated by NGOs A, B and C respectively, in July and August 2026 to review their service provision and noted areas for improvement.

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**Note 41:** *Audit selected, in each of the three regions in Hong Kong (i.e. Hong Kong Island, Kowloon and the New Territories), the EETC with the largest number of service places provided as of March 2026 for review of their service provision.*

## *Need to deliver services in accordance with FSAs*

3.16 NGOs are required to conduct self-assessments on the attainment of performance standards stipulated in FSAs (see para. 1.13(a)). Audit examined the annual self-assessment reports of the three EETCs submitted to SWD for 2025-26. Although all three reports indicated that the EETCs had complied with all the requirements and standards in their respective FSAs, instances of non-compliance were observed, as detailed in the ensuing paragraphs.

3.17 ***Non-compliance with ESR on provision of core services during holiday periods.*** According to the FSA for EETC A, one of the ESRs is that the service must be opened for a total of 46 hours per week, with core service hours (i.e. hours during which the activities set out in the FSA are carried out) of at least 40 hours per week. Core activities for EETCs include developmental assessments and individualised training programmes, as well as centre-based individual and group training and/or therapy.

3.18 Audit examination of EETC A's service provision records and service calendar for 2025-26 revealed occasions when the requirement (see para. 3.17) was not met. For example, the centre was on holiday from 21 July to 8 August 2025, during which only a limited number of staff were on duty, and essential staff (e.g. occupational therapists and special child care workers) were deployed on a rotational basis (hereinafter referred to as special arrangements during holiday periods). During this period, core activities (such as centre-based training or therapy) were not carried out. Instead, EETC A arranged training exercises for service users to practice at home. As core services were not provided, the ESR was not fulfilled.

3.19 Audit further noted the following issues regarding the special arrangements during holiday periods:

(a) the FSA for EETC A did not stipulate the special arrangements during holiday periods or provide for any exemption period from the ESR on the provision of core services;

(b) there was no documentation showing that SWD had approved such arrangements, and no adjustment had been made to the subvention for EETC A to account for the loss of service days/hours (Note 42);

(c) while EETC A had adopted such arrangements, EETCs B and C had not adopted similar arrangements; and

(d) SWD did not maintain information of EETCs that had adopted special arrangements during holiday periods.

3.20 Upon enquiry regarding the special arrangements adopted by EETC A during holiday periods, SWD informed Audit in September 2026 that:

(a) the service requirements were specified in the respective FSAs for individual EETCs, while the centre opening days were usually determined by the EETC based on operational needs, subject to the compliance with the FSA; and

(b) nevertheless, the centre should remain open to provide services, e.g. operating toy library, providing homework for home training programmes and conducting case review, etc.

3.21 While noting SWD's explanations, Audit considers that SWD needs to take measures to ensure that EETCs comply with ESRs on the provision of services stipulated in FSAs (including the provision of core services) and accurately report their compliance to SWD. SWD also needs to critically review the special arrangements adopted by EETC A during holiday periods, and take follow-up actions as appropriate. In addition, SWD needs to ascertain whether similar arrangements have been adopted by other EETCs and take follow-up actions as appropriate.

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**Note 42:** *According to EETC A's records, the special arrangements were adopted during holiday periods totalling 25 days. Based on the actual subvention disbursed to EETC A in 2025-26 of about $9.8 million, the estimated amount of subvention associated with the loss of service days due to such arrangements was about $670,000.*

## *Need to ensure consistency of calculation bases and accuracy in reporting achievement of OSs*

3.22 ***Inconsistent calculation bases for achievement of OSs across EETCs.*** The FSAs for EETCs have stipulated two OSs regarding the rate of completing developmental assessments and the rate of achieving plans. NGOs are required to report to SWD the actual achievement of these OSs of their EETCs in accordance with the calculation bases stipulated in the FSAs. Audit examined the FSAs of the three EETCs visited and noted that the calculation bases used for calculating the rates of achievement of these OSs stated in the FSAs differed across the EETCs (see Table 6).

**Table 6**

**Calculation bases for rates of achievement of OSs on completing developmental assessments and achieving plans (March 2026)**

| EETC A | EETCs B and C |
|---|---|
| ***Rate of completing developmental assessments for each child in a specified period (agreed level of 95%)*** | |
| $\frac{\text{Total number of developmental assessments completed in a year (limited to two for each child)}}{\text{*Average month-end enrolment* of EETC service in the year} \times \text{two}} \times 100\%$ | $\frac{\text{Total number of developmental assessments completed in the period of six months (limited to one for each child)}}{\text{*Total enrolment* of EETC service in the period of six months}} \times 100\%$ |
| ***Rate of achieving plans in a period of six months (agreed level of 95%)*** | |
| $\frac{\text{Total number of plans completed in the period (limited to one for each child)}}{\text{*Total number of plans required (i.e. average month-end enrolment} \times \text{one)* in the period}} \times 100\%$ | $\frac{\text{Total number of plans completed in the period (limited to one for each child)}}{\text{*Total enrolment* of EETC service in the period}} \times 100\%$ |

*Source: Audit analysis of SWD records*

3.23 ***Rates of achievement of OSs not calculated in accordance with stipulated calculation bases.*** Audit examined the half-yearly statistical information submitted by the three EETCs for 2025-26 to SWD and noted that, when calculating the rates of achievement of the OSs on completing developmental assessments and achieving plans, EETCs B and C used the "average month-end enrolment of EETC service in the period", instead of the "total enrolment of EETC service in the period" as the denominator. As the average month-end enrolment excluded service users discharged from the service during the month and is therefore lower than the total enrolment, this calculation had resulted in overstatements of the rates of achievement. Audit recalculated the rates of achievement for these two OSs for EETCs B and C in 2025-26 (involving the two six-month reporting periods), and noted that, had the total enrolment been used as stipulated in the FSAs, they would have failed to achieve 5 out of the 8 OSs (Note 43) (see Table 7). In particular, both EETCs would not have met the OS on the rates of achieving plans in all reporting periods under examination.

**Table 7**

**Rates of achievement of OSs on completing developmental assessments and achieving plans by EETCs B and C**

| EETC | For the six-month reporting period ended | | | |
|---|---|---|---|---|
| | September 2025 | | March 2026 | |
| | Reported by EETC | Audit's calculation | Reported by EETC | Audit's calculation |
| ***Rate of achievement of OS on completing developmental assessments*** | | | | |
| B | 134% | 97% | 104% | 95% |
| C | 100% | 83% | 100% | 97% |
| ***Rate of achievement of OS on achieving plans*** | | | | |
| B | 106% | 77% | 103% | 94% |
| C | 100% | 81% | 97% | 85% |

Legend: Agreed level of 95% not achieved

*Source:* *Audit analysis of EETCs B and C records*

**Note 43:** *A total of 8 OSs were under examination (i.e. 2 EETCs × 2 OSs × 2 six-month reporting periods).*

3.24 Upon enquiry about the bases for the calculation of the rates of achievement of the OSs:

(a) SWD informed Audit in October 2026 that the discrepancy mentioned in paragraph 3.22 was due to the change in calculation formula when FSAs were renewed; and

(b) EETCs B and C informed Audit in August 2026 that, in general, a new batch of service users was admitted in September each year, and it took on average six months to complete or achieve the training plans for these service users. For the reporting of the OS on the rate of achieving plans for the six-month period ending in September, achieving the agreed rate of 95% would require the plans for the newly admitted service users to be expedited and completed within the same month, which might not be practicable.

3.25 Audit considers that SWD needs to take measures to ensure that EETCs calculate and report the rates of achievement of OSs on completing developmental assessments and achieving plans to SWD in accordance with the requirements set out in FSAs. SWD should also review the calculation bases for the achievement of the two OSs and take measures to ensure that these bases are applied consistently across EETCs, and that they are appropriate for measuring performance with the intended purposes of the OSs.

## *Need to ensure provision and accurate reporting of value-added items*

3.26 When submitting proposals to SWD for providing subvented services, an NGO may include value-added items to enhance the attractiveness of its proposals. Upon appointment by SWD as a service provider, these value-added items are included in the relevant FSA as pledged items. The NGO concerned is required to report annually to SWD the provision of each value-added item, or the reasons for not providing the pledged items (if applicable), through statistical information.

3.27 There are 22 value-added items included in the FSA for EETC B. Audit examination of the statistical information submitted by EETC B for 2025-26 and the relevant records found that the provision of 3 value-added items was inaccurately reported, as follows:

(a) ***Deployment of additional manpower.*** A value-added item related to the deployment of additional 3.5 manpower in EETC B (Note 44). While EETC B reported to SWD that the full 3.5 additional manpower had been deployed in 2025-26, Audit found that the manpower level of certain professional disciplines fell short of the committed level. For example, although EETC B had committed to deploy 0.1 additional educational psychologist (equivalent to 215.6 service hours according to EETC B's manpower planning guidelines), the sign-in records showed that no such additional manpower was deployed. Similarly, although 0.1 additional clinical psychologist (equivalent to 215.6 service hours) should have been deployed, only 74.2 hours (representing 34% of the committed hours) were deployed;

(b) ***Provision of additional training equipment.*** Another value-added item related to the provision of additional training equipment, including a treadmill, a weight-bearing-reduced walking training device, a muscle electrical therapy device and special assessment tools. EETC B reported to SWD that it had provided different training equipment for different therapies in 2025-26. However, Audit found that, as of August 2026, two of the stated devices were not available. Specifically, the weight-bearing-reduced walking training device had not been purchased by EETC B, and the muscle electrical therapy device had been in an unusable condition since March 2024; and

(c) ***Provision of free-of-charge dental examination service***. Regarding the third value-added item, EETC B had pledged to provide free-of-charge dental examination service for young children in a dental clinic in Sha Tin operated by NGO B. In its 2025-26 submission to SWD, EETC B reported that there had been no request from parents for the dental examination service, and that relevant information had been provided on the parent resource hub. However, Audit found that the dental clinic in Sha Tin specified in FSA had been closed since 1 April 2019 (i.e. for over 7 years). Audit examination of the information on the parent resource hub further noted that, as of August 2026, the only information relating to dental service concerned was a chargeable dental service offered in a community services centre operated by NGO B.

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**Note 44:** *The 3.5 additional manpower consists of various professional disciplines and supporting staff, including 0.1 clinical psychologist, 0.1 educational psychologist, 0.25 physiotherapist and 1.5 special child care workers.*

3.28 Upon enquiry, EETC B informed Audit in August 2026 that:

(a) for the value-added item related to additional manpower required to be deployed mentioned in paragraph 3.27(a), although the sign-in records could not sufficiently demonstrate that the staff concerned had provided services for EETC B, they worked in NGO B headquarters and provided support work to EETC B;

(b) for the value-added item mentioned in paragraph 3.27(b), although the equipment concerned were not available, EETC B could borrow them from other centres if any service users were assessed as having the need to use them; and

(c) regarding the value-added item mentioned in paragraph 3.27(c), although the dental service provided by the community services centre was not free-of-charge, eligible children could apply for financial assistance from a charity fund operated by NGO B.

3.29 Audit noted that the information mentioned in paragraphs 3.27 and 3.28 had not been provided to SWD. Audit considers that SWD needs to take measures to ensure that EETCs deliver the value-added items pledged by NGOs, and that any deviations are accurately reported to SWD for consideration and for taking follow-up actions as deemed appropriate.

### *Need to ensure no cross-subsidisation between subvented and non-subvented services*

3.30 According to the LSG Subvention Manual, NGOs receiving subvention may concurrently operate self-financing services that are not subvented or subsidised by SWD and outside the scope of FSAs (i.e. non-subvented services). It also stipulates that NGOs are required to:

(a) ensure that there is no cross-subsidisation of non-subvented services by subvented services in money or in kind;

(b) apportionment of cost is required if LSG resources are spent on non-subvented services unless otherwise specified; and

(c) prior approval must be sought from SWD for operating non-subvented services on recognised premises/areas, of which the rent and rates are reimbursed by SWD on an actual basis for delivering subvented services as agreed by SWD.

3.31 Audit noted that EETC C operated three non-subvented services (Note 45), while the centre's rent and rates were reimbursed by SWD for delivering subvented EETC services. Audit examined EETC C's records pertaining to the provision of its non-subvented services and its cost apportionment records for 2025-26 and noted that:

(a) among the 3 non-subvented services, 2 were delivered by the essential staff of EETC services (Note 46), whose remuneration was funded under LSG subvention. Although NGO C apportioned the expenditures on rent and rates, utilities and remuneration of the supporting staff, it did not apportion the remuneration of essential staff between the subvented and non-subvented services; and

(b) no documentation was available showing that EETC C had obtained SWD's approval to operate non-subvented services at the centre in accordance with the requirements set out in the LSG Subvention Manual.

## Audit recommendations

3.32 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **take measures to ensure that EETCs comply with ESRs on the provision of services stipulated in FSAs (including the provision of core services) and accurately report their compliance to SWD;**

(b) **critically review the special arrangements adopted by an EETC during holiday periods, and take follow-up actions as appropriate;**

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**Note 45:** *The three non-subvented services included summer intensive training camp, multiple intelligences summer camp and piano classes.*

**Note 46:** *The essential staff engaged included 2 social workers, 2 occupational therapists, 2 physiotherapists, 3 speech therapists and 6 special child care workers.*

(c) **ascertain whether the special arrangements during holiday periods have been adopted by other EETCs and take follow-up actions as appropriate;**

(d) **take measures to ensure that EETCs calculate and report the rates of achievement of OSs on completing developmental assessments and achieving plans to SWD in accordance with the requirements set out in FSAs;**

(e) **review the calculation bases for the achievement of OSs regarding the rates of completing developmental assessments and achieving plans and take measures to ensure that these bases are applied consistently across EETCs, and that they are appropriate for measuring performance with the intended purposes of the OSs;**

(f) **take measures to ensure that EETCs deliver the value-added items pledged by NGOs, and that any deviations are accurately reported to SWD for consideration and for taking follow-up actions as deemed appropriate; and**

(g) **take measures to ensure that NGOs comply with the LSG Subvention Manual when operating non-subvented services, including ensuring that there is no cross-subsidisation of non-subvented services by subvented services, and that prior approval from SWD is obtained.**

## Response from the Government

3.33 The Director of Social Welfare agrees with the audit recommendations.

## Monitoring of service delivery

3.34 SWD monitors and evaluates the quality of subvented services provided by NGOs through a quality assurance mechanism. NGOs are required to conduct regular self-assessments and submit the results to SWD (see para. 1.13(a)), and they are subject to performance assessment visits conducted by SWD (see para. 1.13(b)).

### *Need to review system controls to facilitate checking of performance statistics reported by NGOs*

3.35 The Service Performance Management Information System (SPMIS) is an electronic system developed by SWD to facilitate service performance management (Note 47). Audit noted that, as of August 2026, SWD had not implemented controls in SPMIS to flag potential mis-reporting of OSs and OCs in the statistical information submitted by NGOs. For example, while the rates of achievement of the OSs on completing developmental assessments and achieving plans should not exceed 100% by default for EETC B (Note 48), its reported rates in 2025-26 exceeded 100% (ranging from 103% to 134%) (see para. 3.23). There was no evidence that SWD had followed up on the irregularity (e.g. enquiring with the EETC on the calculation or selecting the service unit for conducting performance assessment visits).

3.36 Upon enquiry, SWD informed Audit in October 2026 that while features to support accurate data entry (e.g. automatic calculations and data carry-forward) had been incorporated in SPMIS, given the complexity of service delivery scenarios and the need to maintain system efficiency, validation checks would only be applied selectively to specific fields. In Audit's view, there is merit in SWD reviewing controls in SPMIS to facilitate the identification of potential mis-reporting of performance statistics by NGOs.

### *Need to enhance coverage of items checked in performance assessment visits*

3.37 According to SWD guidelines, a risk-based approach is applied in selecting agreement service units for conducting performance assessment visits, taking into

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**Note 47:** *According to SWD, NGOs shall submit all service performance statistical forms, reporting the actual performance on OSs and OCs, through the electronic platform of SPMIS to SWD.*

**Note 48:** *For example, for EETC B, regarding the OS on achieving plans, given that each child is only required to complete one plan within the period, the percentage of total number of completed plans divided by the total enrolment of EETC service for that period should be capped at 100%.*

account a number of key factors (Note 49). The items checked during performance assessment visits to agreement service units include compliance with, and the accuracy of reported achievements of ESRs and SQSs, and also cover OSs and OCs if they are not achieved for a specified period. Audit noted that, under the current mechanism, whether the performance assessment visits cover OSs and OCs generally depends on the accuracy of the information reported by NGOs. For example, as EETC B reported that the OSs on completing developmental assessments and achieving plans were achieved, and SWD did not identify any irregularities (see para. 3.35), these OSs might not be covered during the performance assessment visits to EETC B. In this regard, Audit considers that there is merit in enhancing the scope of assessment items during performance assessment visits to include random checks on the accuracy of reported achievements of OSs and OCs.

### *Need to enhance monitoring of provision of value-added items*

3.38 For value-added items included in FSAs, NGOs are required to report annually to SWD, through statistical information, whether the pledged value-added items have been delivered. Audit examined the performance assessment visit checklist as of June 2026 and noted that value-added items were not specified as items to be checked. There was also no documentary evidence showing that SWD had checked the value-added items during the visits.

3.39 According to the LSG Subvention Manual, in evaluating NGOs for renewal of FSAs, the factors considered include service demand and operator's satisfactory service performance, which should include the provision of value-added items (if any). Although EETC B failed to provide some of the value-added items (see para. 3.27), its agreement was renewed. For example, since the closure of the dental clinic in Sha Tin operated by NGO B in April 2019, FSA for EETC B was renewed twice (i.e. in 2020 and 2023). Upon enquiry, SWD informed Audit in October 2026 that the renewal in 2023 was based on EETC B's performance from 2019-20 to 2021-22, during which 20 out of the 22 value-added items were provided (Note 50). Despite the non-provision of the remaining 2 items, all the value-added

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**Note 49:** *Examples of key factors include the length of time since the last visit and any identified or suspected performance issues, such as non-compliance with standards of services in FSAs.*

**Note 50:** *According to SWD, the renewal in 2020 was based on EETC B's performance from 2016-17 to 2018-19, during which all the items were reported as provided.*

items continued to be included in the renewed FSA. In Audit's view, for FSA renewals that involve value-added items which have not been provided, SWD needs to confirm with the NGOs concerned whether the items are still valid for inclusion in the new FSAs.

## Audit recommendations

3.40 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **review controls in SPMIS to facilitate the identification of potential mis-reporting of performance statistics by NGOs;**

(b) **enhance the scope of assessment items during performance assessment visits to include random checks on the accuracy of reported achievements of OSs and OCs;**

(c) **include value-added items in performance assessment visits with a view to ensuring that all key service performance standards are covered; and**

(d) **for FSA renewals that involve value-added items which have not been provided, require SWD staff to confirm with the NGOs concerned whether the items are still valid for inclusion in the new FSAs.**

## Response from the Government

3.41 The Director of Social Welfare agrees with the audit recommendations.

# PART 4: SPECIAL CHILD CARE CENTRES

4.1 This PART examines issues relating to SCCCs, focusing on the following areas:

(a) service place utilisation and capacity planning (paras. 4.5 to 4.22);

(b) delivery of services (paras. 4.23 to 4.35); and

(c) monitoring of service delivery (paras. 4.36 to 4.45).

## *Background*

4.2 ***Service scope.*** According to FSAs, SCCC services are provided to Tier 3 children aged 2 to 6. The services include:

(a) ***Developmental assessment and individualised training programmes.*** Each child is assessed upon admission and periodically thereafter. The results of the developmental assessment (i.e. an evaluation of a child's performance across different skill areas — Note 51) are used to plan an individualised training programme that sets learning goals for each child;

(b) ***Centre-based individual and group training.*** The child attends centre-based training programmes five days a week. These programmes aim to maximise each child's developmental functioning. Psychotherapy (for RSCCC service places), occupational therapy, physiotherapy and speech therapy services are provided;

(c) ***Other services.*** Other services include daily child care services and parental support; and

(d) ***Residential programme.*** For RSCCC service places, additional care and training services are also provided. These include accommodation and

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**Note 51:** *Based on NGO records, examples of the skill areas include gross motor, fine motor and self-care.*

meals, and training programmes tailored to individual needs, particularly in developing age-appropriate self-care skills.

In some SCCCs, OCCS for CD is provided to children with disabilities aged 2 to 6 (Note 52) whose parents/carers have to be away from home occasionally due to various commitments or sudden engagements so as to minimise the risks associated with the children being left unattended at home. Children admitted are provided with care and activities in the centre.

4.3 ***Service places.*** As at 31 March 2026, 16 NGOs operated 52 SCCCs, including:

(a) 4 offering both SCCC and RSCCC service places (hereinafter referred to as SCCC-cum-RSCCCs — see Photographs 1(a) and (b) for an example), 2 of which were also offering EETC service places; and

**Photographs 1(a) and (b)**

**An example of SCCC-cum-RSCCC**

**(a)** **(b)**





*Source:* *NGO records*

**Note 52:** *According to SWD, OCCS for CD is provided to support families in need. There is no specific degree of disability required for service users. Parents/carers may submit applications directly to the NGOs operating these services, or apply through referrals from medical social workers, family caseworkers or staff of pre-school rehabilitation centres, etc.*

(b) 29 offering both SCCC and EETC service places (hereinafter referred to as SCCC-cum-EETCs), excluding 2 that also offered RSCCC service places (see (a) above).

As of March 2026, these 52 SCCCs provided 2,548 SCCC service places (including SCCC service places offered in SCCC-cum-EETCs and SCCC-cum-RSCCCs) and 122 RSCCC service places (including RSCCC service places offered in SCCC-cum-RSCCCs).

4.4 ***Children waitlisted.*** In 2025-26, the average waiting times for SCCC and RSCCC service places were 15.9 and 2.5 months respectively (see Table 8). As at 31 March 2026, 1,503 and 19 children had been waitlisted for SCCC and RSCCC service places respectively, as recorded in CRSRehab (see Table 9).

**Table 8**

**Average waiting times for SCCC and RSCCC service places (2021-22 to 2025-26)**

| Average waiting time | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
|---|---|---|---|---|---|
| | (Month) | | | | |
| SCCC service places | 20.2 | 19.3 | 19.2 | 19.1 | 15.9 (Note) |
| RSCCC service places | 2.9 | 3.6 | 5.0 | 4.9 | 2.5 |

*Source:* *SWD records*

*Note:* *According to SWD, the average waiting time for SCCC service places had shortened, possibly due to the low birth rate and an increase in the number of SCCC service places in recent years.*

**Table 9**

**Number of children waitlisted for SCCC and RSCCC service places (2022 to 2026)**

| Number of children waitlisted | As at 31 March | | | | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** |
| SCCC service places | 2,749 | 2,847 | 2,853 | 2,449 | 1,503 (Note) |
| RSCCC service places | 38 | 46 | 24 | 24 | 19 |
| Total | 2,787 | 2,893 | 2,877 | 2,473 | 1,522 |

*Source:* *SWD records*

*Note:* *According to SWD, the number of children waitlisted for SCCC service places had decreased, possibly due to the low birth rate and an increase in the number of SCCC service places in recent years.*

## Service place utilisation and capacity planning

### *Relatively low utilisation rates for some centres*

4.5 As at 31 March of each year from 2022 to 2026, the utilisation rates of SCCC and RSCCC service places ranged from 93% to 98% and from 85% to 88% respectively (see Table 10).

**Table 10**

**Utilisation rates of SCCC and RSCCC service places**
**(2022 to 2026)**

| Item | As at 31 March | | | | |
|---|---|---|---|---|---|
| | **2022** | **2023** | **2024** | **2025** | **2026** |
| ***SCCC service places*** | | | | | |
| Number of service users (a) | 2,046 | 2,091 | 2,288 | 2,348 | 2,451 |
| Number of service places (b) | 2,152 | 2,242 | 2,334 | 2,394 | 2,548 |
| Utilisation rate (c)=(a)÷(b)×100% | 95% | 93% | 98% | 98% | 96% |
| ***RSCCC service places*** | | | | | |
| Number of service users (d) | 107 | 107 | 104 | 104 | 105 |
| Number of service places (e) | 122 | 122 | 122 | 122 | 122 |
| Utilisation rate (f)=(d)÷(e)×100% | 88% | 88% | 85% | 85% | 86% |

*Source: Audit analysis of SWD records*

4.6 Audit examined the average utilisation rates of each SCCC over the past five years (Note 53) and found that the rates varied significantly across SCCCs (ranging from 53% to 100%). In particular, the rates were below 90% for:

(a) 2 centres offering SCCC service places (i.e. average utilisation rates of 53% and 65%); and

(b) 3 centres offering RSCCC service places (i.e. average utilisation rates of 55%, 75% and 82%).

4.7 Audit noted that, with the aim of improving the utilisation, SWD and the NGOs operating these SCCCs had implemented improvement measures, as follows:

**Note 53:** *The average utilisation rate over the past five years was calculated by taking average of the utilisation rates as at 31 March of each year from 2022 to 2026.*

(a) the centre, which had an average utilisation rate of 65% (see para. 4.6(a)), originally provided services to children with deafness or severe to profound hearing impairment. Due to the prolonged under-utilisation, the NGO proposed in January 2025 to expand its target groups to include children with moderate to severe disabilities cum suspected/mild hearing impairment and the expansion took effect in April 2025. Despite the expansion of the target groups, the utilisation rate remained low (i.e. 47% as at 31 March 2026). The NGO then proposed a further expansion to include children with moderate to severe non-hearing-impaired disabilities in April 2026, and the expansion took effect in July 2026;

(b) the centre, which had average utilisation rates of 53% for its SCCC service places and 55% for its RSCCC service places (see para. 4.6(a) and (b)), originally provided services to children with moderate to severe visual impairment or blindness. In December 2023, SWD discussed with the centre to work out feasible plans to improve utilisation. The centre agreed to expand its target groups to include children with moderate to severe disabilities cum suspected/mild visual impairment, and the expansion took effect in April 2024. However, the utilisation rates of the centre remained relatively low (i.e. as at 31 March 2025 and 31 March 2026, 59% and 53% for SCCC service places, and 88% and 50% for RSCCC service places, respectively); and

(c) the 2 centres, which had average utilisation rates of 75% and 82% (see para. 4.6(b)), agreed to take actions to improve the utilisation (e.g. stepping up publicity efforts) starting from April 2022. However, for the centre with an average utilisation rate of 82%, the utilisation rates decreased from 92% as at 31 March 2022 to 75% as at 31 March 2026 (Note 54).

4.8 In Audit's view, SWD needs to closely monitor the effectiveness of measures to enhance utilisation and the utilisation rates of SCCC and RSCCC services places, particularly for centres with relatively low utilisation rates, and continue exploring appropriate measures to address the issues.

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**Note 54:** *For the centre with an average utilisation rate of 75%, the utilisation rates increased from 83% as at 31 March 2022 to 92% as at 31 March 2026.*

## *Low utilisation rates of OCCS for CD places*

4.9 According to SWD, OCCS for CD offers a safe venue for temporary care to enable parents/carers to attend to personal or urgent matters. As of September 2026, the OCCS for CD fees were $64 per full day, $32 per half day and $16 per 2 hours. As of March 2026, 36 SCCCs also offered OCCS for CD places (Note 55), and each of these SCCCs had 2 to 5 OCCS for CD places (Note 56).

4.10 Audit examined the utilisation rates of OCCS for CD places (Note 57) for the 36 SCCCs in 2025-26 and the findings were shown in Table 11.

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**Note 55:** *According to SWD, the figure excluded an SCCC operating OCCS for CD on a self-financing basis.*

**Note 56:** *As of March 2026, a total of 88 OCCS for CD places were provided by 34 SCCCs. In addition, 2 SCCCs provided OCCS for CD through casual vacancies (i.e. OCCS for CD places were offered when unutilised SCCC service places were available).*

**Note 57:** *According to SWD, the utilisation rate of OCCS for CD places is calculated as follows:*

$$\frac{\textit{Total number of attendances in the year}}{\textit{Approved number of OCCS for CD places} \times \textit{Number of sessions opened in the year}} \times 100\%$$

**Table 11**

**Utilisation rates of OCCS for CD places**
**(2025-26)**

| Utilisation rate | Number of SCCCs | |
|---|---|---|
| Less than 5% | **8 (22%)** | |
| 5% to less than 15% | 10 (28%) | **21 (58%)** |
| 15% to less than 25% | 1 (3%) | |
| 25% to less than 35% | 2 (5%) | |
| 35% or more | 15 (42%) | |
| Total | 36 (100%) | |
| Agreed levels stipulated in FSAs | 35% (for 35 SCCCs)/40% (for 1 SCCC) (Note) | |
| Average utilisation rate | **28%** | |

*Source:* *Audit analysis of SWD records*

*Note:* *In 2025-26, for the SCCC with an agreed level of 40%, the utilisation rate of OCCS for CD places was 29%.*

4.11 In Audit's view, SWD needs to keep under review the utilisation rates of OCCS for CD places, particularly for SCCCs with utilisation rates below the agreed levels stipulated in FSAs, and continue exploring appropriate measures and taking follow-up actions.

## *Need to expedite processing of SCCC registration applications*

4.12 All child care centres (including SCCCs) must be registered and shall comply with the requirements stipulated in the Child Care Services Ordinance and its subsidiary legislation. According to SWD, the procedures for processing centre registration applications are as follows:

(a) ***Submission of application and other documents.*** An NGO intending to operate a child care centre shall submit application documents (i.e. scaled layout plans, and completed application forms for certificates from other

government departments (Note 58)) and other documents (e.g. time-table of daily activities, dietary scale and menu) to CCCAI (see para. 1.16(d)) for processing;

(b) ***Application processing and referrals***. These involve the following processes:

(i) CCCAI conducts a preliminary assessment of application documents and refers the case to other relevant government departments for checking within 7 working days from the receipt of application documents. During the processing of other documents, CCCAI may also refer the case to other relevant government departments as appropriate;

(ii) based on the information submitted by the NGO, the other relevant government departments will provide comments on the application to CCCAI and/or NGO and, where appropriate, conduct inspections of the premises proposed for use as the child care centre;

(iii) the NGO shall then provide responses to the comments and CCCAI will forward the NGO's reply to other relevant government departments as appropriate; and

(iv) upon compliance with all relevant requirements by the NGO, the other government departments concerned will issue certificates or grant approvals; and

(c) ***Submission of registration application form and issuance of registration certificate***. Upon obtaining all necessary certificates/documents, the NGO is required to submit an application form for registration to CCCAI. CCCAI will conduct a pre-registration visit with the applicant after obtaining all necessary certificates/documents, to ensure that the proposed child care centre's environment, facilities and staffing are ready for

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**Note 58:** *According to SWD guidelines, prior to SWD's approval for the centre registration, certificates issued by various government departments are required to ensure that the premises are suitable, in terms of fire and structural safety, for operating a child care centre.*

operation. Upon proper completion of the application process, CCCAI will issue a registration certificate within 14 working days.

According to the application guidelines, depending on the NGOs' compliance with the requirements, the entire registration process typically takes 4 to 7 months.

4.13 From 2021-22 to 2025-26, 9 centres (comprising 1 SCCC and 8 SCCC-cum-EETCs) were issued registration certificates by CCCAI. Audit selected 3 SCCC-cum-EETCs with the largest numbers of SCCC service places and examined the relevant documents. Audit noted that the time elapsed between the NGOs' first submission of application documents and the completion of registration (i.e. the processing times) were 7, 12 and 14 months for the 3 SCCC-cum-EETCs, exceeding the typical timeline of 4 to 7 months. For the SCCC-cum-EETCs with processing times of 12 and 14 months, the NGOs took between 4 and 119 days (averaging 42 days) to respond to comments from other relevant government departments (9 responses in total). Despite this, no reminder was issued by SWD for 3 of these responses and no deadlines were set in all of the letters issued to NGOs requesting their responses.

4.14 Upon enquiry, SWD informed Audit in October 2026 that inspectors of CCCAI were well aware of the situation for each application, and always checked and updated the NGO concerned through telephone contacts. The response times of individual centres might vary as some of the responses entailed more complicated technical inputs or fitting-out works. For delays without valid reasons, written reminders would be sent to the NGOs concerned. CCCAI would also notify the service branch(es) concerned in parallel for applications with prolonged processing times, in order to avoid unnecessary delays in the commencement of services.

4.15 Despite the fact that the processing times for centre registration applications not uncommonly exceeded the typical timeline, SWD had not set out any requirements in its guidelines for issuing reminders or setting deadlines for receiving NGOs' responses. In Audit's view, SWD needs to monitor the processing times for applications and include measures in its guidelines, such as issuing reminders or setting deadlines for receiving responses, to expedite the process as far as practicable.

## *Scope for monitoring SCCC service place provision*

4.16 Audit noted that in 2025-26, among the four main service types under PRS, the average waiting time for SCCC service places was the longest (i.e. 15.9 months, excluding RSCCC service places, which had an average waiting time of 2.5 months — see para. 4.4). According to SWD, it has been adopting a multipronged approach to increasing the provision of SCCC service places, including establishing new SCCCs, expanding existing SCCCs in-situ, and widening of service targets of existing SCCCs (see para. 4.7(a) and (b)).

4.17 ***Delays in establishment of two SCCCs.*** According to SWD, it had planned to establish two new SCCCs (each providing 60 SCCC service places) in Kwun Tong District and Tai Po District by 2025-26. However, as of September 2026, the SCCCs were not yet in operation. Upon enquiry, SWD informed Audit in September and October 2026 that the delays were attributable to the late completion of two planned projects, which were subject to the progress of construction works and site handover. To minimise the shortfall in service places as planned, Audit considers that SWD needs to continue to closely monitor the implementation progress of the projects for establishing new SCCCs and take follow-up actions as appropriate.

4.18 ***Waitlist situation of SCCC service places varied across districts.*** Audit analysis of SCCC service places (excluding RSCCC service places) revealed that, as of June 2026, no SCCC service places had been provided in Central and Western District and Yau Tsim Mong District. In addition, Audit examined the average waiting times in 2025-26 and the percentages of children waitlisted relative to service places (see also Note 39 to para. 3.4(a)) as at 31 March 2026 for SCCC service places (excluding RSCCC service places) across the 18 districts and found significant disparities among districts. Specifically:

(a) in Islands District, Kwai Tsing District, Southern District and Tai Po District, the average waiting time in each district was about 10 to 11 months. In contrast, in North District and Yuen Long District, the average waiting times were 23 and 25 months respectively; and

(b) in Southern District, the percentage of children waitlisted relative to service places was 13% (i.e. 24 children waitlisted relative to 189 service places). In contrast, in North District, Kowloon City District, Yuen Long District

and Kwai Tsing District, the percentages were 116%, 203%, 257% and 334% respectively (Note 59).

4.19 Audit noted that SWD conducted a repositioning review in October 2025 and concluded that a new school-based model was to be implemented for PRS (see para. 2.43). According to SWD, upon implementation of the model, SCCC will be the only service type of PRS for children aged 2 to 6 with moderate to severe disabilities (i.e. Tier 3 children — see para. 1.3(c)), and there is a need to provide additional SCCC service places. As most children aged 2 to 6 with mild disabilities will be supported by school-based service teams under the new model, there may be surplus EETC services in the long run. As such, conversion of EETCs into SCCCs will be explored in future. In Audit's view, before the impact of the new school-based model of PRS on SCCC service places becomes evident, SWD needs to continue its efforts to shorten the waiting time for SCCC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places.

4.20 According to SWD, it had taken district-level factors into account in planning the service capacity for SCCCs. For example, in relation to the long-term planned establishment of an SCCC in North District beyond 2030, district-level data had been used to support the need for this establishment. However, as of August 2026, apart from the number of children waitlisted by district based on the residential districts of applicants, SWD did not maintain other management information on the waitlist situation across districts (e.g. average waiting time and percentage of children waitlisted relative to service places by district). There is merit in SWD regularly compiling relevant management information to facilitate the planning and management of SCCC service places.

**Note 59:** *According to SWD records, 135, 61, 283 and 107 children were waitlisted for SCCC service places (excluding RSCCC service places) in North District, Kowloon City District, Yuen Long District and Kwai Tsing District respectively, relative to 116, 30, 110 and 32 service places in those districts.*

## Audit recommendations

4.21 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **closely monitor the effectiveness of measures to enhance utilisation and the utilisation rates of SCCC and RSCCC services places, particularly for centres with relatively low utilisation rates, and continue exploring appropriate measures to address the issues;**

(b) **keep under review the utilisation rates of OCCS for CD places, particularly for SCCCs with utilisation rates below the agreed levels stipulated in FSAs, and continue exploring appropriate measures and taking follow-up actions;**

(c) **monitor the processing times for SCCC registration applications, particularly cases with long processing times, and include measures in SWD guidelines, such as issuing reminders or setting deadlines for receiving responses, to expedite the process as far as practicable;**

(d) **continue to closely monitor the implementation progress of the projects for establishing new SCCCs and take follow-up actions as appropriate; and**

(e) **continue efforts to shorten the waiting time for SCCC services, with particular attention to districts with notably longer average waiting times and higher percentages of children waitlisted relative to service places, and regularly compile management information on the waitlist situation across districts to facilitate the planning and management of SCCC service places.**

## Response from the Government

4.22 The Director of Social Welfare agrees with the audit recommendations.

## Delivery of services

4.23 In July and August 2026, Audit visited three SCCCs (i.e. SCCCs A, B and C) (Note 60) operated by three NGOs to review their delivery of SCCC and RSCCC services. The related audit findings are detailed in the ensuing paragraphs.

### *Need to strengthen monitoring of compliance with ESRs regarding service hours*

4.24 According to SWD, developmental assessments, centre-based training and daily child care services (see para. 4.2(a) to (c)) are provided to RSCCC service users in daytime (hereinafter referred to as RSCCC day services) and SCCC service users. Residential programme services (see para. 4.2(d)) are provided to RSCCC service users round the clock. According to FSAs:

(a) SCCC and RSCCC services shall be provided to service users five days a week, except for specific RSCCC residential programme services, which shall be provided seven days a week based on individual FSAs. The FSAs also stipulate the ESRs regarding the service hours for SCCC and RSCCC services. Table 12 shows the ESRs regarding the service hours for the three SCCCs (see para. 4.23); and

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**Note 60:** *For the three regions in Hong Kong (i.e. Hong Kong Island, Kowloon and the New Territories), Audit selected from each region, the SCCC with the largest number of SCCC or RSCCC service places as of March 2026, as follows:*

*(a) SCCC A: provided SCCC, RSCCC, EETC and OCCS for CD service places;*

*(b) SCCC B: provided SCCC, RSCCC and EETC service places; and*

*(c) SCCC C: provided SCCC and OCCS for CD service places.*

**Table 12**

**ESRs regarding service hours for three SCCCs visited by Audit (July 2026)**

| SCCC | ESR regarding service hours |
|---|---|
| A | (a) Opening SCCC and RSCCC day services from 8:00 a.m. to 5:00 p.m. Monday to Friday with SCCC core service hours (see para. 3.17) from 8:30 a.m. to 4:30 p.m. Monday to Friday; and<br>(b) Providing round-the-clock RSCCC residential programme services. |
| B | (a) Opening SCCC and RSCCC day services for a total of 44 hours per week with core service hours of at least 40 hours per week; and<br>(b) Providing round-the-clock RSCCC residential programme services during training days of the centre from Monday morning to Friday afternoon. |
| C | Opening SCCC services for a total of 44 hours per week with core service hours of at least 40 hours per week. |

*Source: SWD records*

(b) where service places are available, OCCS for CD shall be provided upon parents'/carers' applications (see Note 52 to para. 4.2).

4.25 Audit examined the relevant records of the three SCCCs for 2025-26 and noted the following issues:

(a) ***ESRs not complied with.*** For SCCCs A, B and C, the NGOs concerned declared in their annual self-assessment reports that all ESRs had been complied with. However, for all SCCC/RSCCC services to which the five-day service requirements applied, there were instances of non-compliances, as SCCCs A, B and C scheduled school holidays on weekdays (i.e. failing to provide SCCC and/or RSCCC services five days a week) (Note 61). The shortfalls against the ESRs ranged from 30 to 33 days (Note 62). There was no documentation indicating that SWD had

**Note 61:** *For SCCC A, its RSCCC residential programme services shall be provided seven days a week, and SCCC A had complied with the relevant ESR.*

**Note 62:** *The figures excluded public holidays and days when the relevant services could not be provided (e.g. due to adverse weather condition).*

approved the arrangements under which SCCCs scheduled school holidays on weekdays, granted exemptions from the five-day service requirements (Note 63), or adjusted subvention for SCCCs A, B and C to account for the loss of service days/hours (Note 64). SWD also did not maintain information on SCCCs that had adopted such arrangements. Upon enquiry, SWD informed Audit in September 2026 that:

(i) the service requirements for individual SCCCs were specified in the respective FSAs, while school days were determined by each centre based on operational needs, subject to compliance with the FSAs; and

(ii) centres should remain open and provide services during school holidays, for example, providing homework for home training programmes and conducting case reviews. Parents in need of child care might still approach the centres for services. SWD would not prescribe NGOs for the purpose of drawing up school calendars; and

(b) ***OCCS for CD fees charged to service users during SCCC service hours.*** For SCCC C, an ESR in FSA stipulates that core service hours of at least 40 hours per week must be provided. According to the time-table approved by SWD (Note 65), SCCC activities shall be provided from 9:00 a.m. to 5:00 p.m. Monday to Friday (i.e. 40 hours a week in total). However, SCCC C charged 27 service users OCCS for CD fees (see para. 4.9) (a total of $3,936) when parents/carers requested child care services during

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**Note 63:** *By way of reference, SWD has specified in ESRs of FSAs for child care centre services (which are day care services offered to children from birth to under the age of 3) that the provision of services may be exempted during school holidays recognised by SWD.*

**Note 64:** *Based on the actual subvention disbursed for SCCC and RSCCC services to the three SCCCs in 2025-26, the estimated amount of subvention associated with the loss of service days arising from the SCCCs scheduling school holidays on weekdays was about $6.2 million (comprising $2.5 million for SCCC A, $2.4 million for SCCC B and $1.3 million for SCCC C).*

**Note 65:** *According to the Child Care Services Regulations (Cap. 243A), for all child care centres (including SCCCs), the time-table of the programme of activities shall be submitted to SWD for approval.*

school holidays (see (a) above), or from 4:00 p.m. to 5:00 p.m. on school days (Note 66).

## *Need to ensure accuracy and proper documentation of SCCCs' reported OS performance*

4.26 According to FSAs, each child is assessed upon admission and periodically thereafter, and the results of the developmental assessment are used to plan an individualised training programme. For SCCC and RSCCC services, two of the OSs required completing two developmental assessments for each child in a year and achieving the plans in a period of six months. The agreed levels were 95% for both OSs. According to SWD, SCCCs shall report their actual performance on OSs in the statistical information to SWD on a half-yearly basis (see para. 1.13(a)(i)).

4.27 ***Reported performance on OSs not accurate.*** Based on the developmental assessment and individualised training programme plan completion records for 2025-26 for the three SCCCs (see para. 4.23), Audit recalculated the rates of achievement for the two OSs and found discrepancies in some of the rates for SCCCs A and C when compared with those reported in the SCCCs' half-yearly statistical information (see Table 13).

**Note 66:** *According to SCCC C's time-table approved by SWD, the periods from 3:00 p.m. to 5:00 p.m., Monday to Friday, were designated for the dismissal and travelling of service users.*

**Table 13**

**Rates of achievement of OSs on completing two developmental assessments and achieving plans (2025-26)**

| SCCC | Agreed level | Rate of completing two developmental assessments for each child in a year (Note 1) | | Rate of achieving plans in a period of six months (Note 2) | | | |
|---|---|---|---|---|---|---|---|
| | | | | April to September 2025 | | October 2025 to March 2026 | |
| | | Reported by SCCC | Audit's calculation | Reported by SCCC | Audit's calculation | Reported by SCCC | Audit's calculation |
| A (SCCC services) | 95% | 96% | 103% | 101% | 101% | 101% | 102% |
| A (RSCCC services) | | 139% | 107% | 120% | 119% | 100% | 104% |
| B (both SCCC and RSCCC services) | | 103% | 103% | 104% | 104% | 102% | 102% |
| C | | 100% | 102% | 100% | 100% | 100% | 102% |

Legend: Performance overstated
Performance understated

*Source:* *Audit analysis of NGO records*

*Note 1:* *According to SWD, the rate is calculated as follows:*

$$\frac{\textit{Total number of developmental assessments completed in the year (limited to two for each child)}}{\textit{Average month-end service user number in the year} \times 2} \times 100\%$$

*Note 2:* *According to SWD, the rate is calculated by dividing the total number of plans completed (limited to one for each child) by the average month-end service user number in the period.*

*Remarks:* *According to the half-yearly statistical information, SCCC A reported the figures for SCCC and RSCCC services separately. SCCC B reported the figures on a consolidated basis.*

4.28 ***Performance on OSs of individual service users not documented.*** Audit selected 30 service users from the three SCCCs (i.e. 10 from each SCCC) and examined their relevant records for 2025-26. Audit found that:

(a) a service user of SCCC B was absent from late August 2025 to March 2026. Although the individualised training programme plan for this service user covered the training period from August 2025 to January 2026 (during which the user was absent), no documentation was available to show that the goals in the plan were achieved. However, SCCC B regarded this plan as completed when calculating the rate of achieving plans for the period from October 2025 to March 2026; and

(b) a service user of SCCC C was absent from March to September 2025. The SCCC recorded the completion of the individualised training programme plan (covering the training period from March to July 2025) in July 2025, and two developmental assessments in June and August 2025, with corresponding developmental assessments reports completed. Upon enquiry, SCCC C informed Audit in August 2026 that the developmental assessments had been conducted through telephone calls with the service user's guardian. However, there was no documentation to show that the assessments were conducted by telephone, nor any record showing how the individualised training programme plan was achieved during the service user's absence.

Audit noted that neither SWD nor SCCCs B or C had laid down guidelines for conducting developmental assessments or achieving individualised training programme plans during service users' absence, or for reporting OS performance in such circumstances.

## *Room for improvement in implementation of the special provision programme for autistic children*

4.29 According to SWD, in 1994, it launched a special provision programme, providing enhanced services for autistic children in selected SCCCs. The programme features include:

(a) ***Aim.*** The programme aims to help autistic children to:

(i) integrate into the daily programme of SCCC so as to develop their abilities to the fullest extent and to establish a firm foundation for subsequent education and development; and

(ii) develop their social skills, attention span and the ability to follow instructions and rules so that they can learn and progress from the daily programme;

(b) ***Services.*** The services offered by the programme include:

(i) intensive training programmes in the form of individual and group;

(ii) periodic assessments by psychologist to monitor progress and discharge; and

(iii) guidance to parents; and

(c) ***Service capacity and staffing resources.*** According to the basis for calculating subvention, for every 6 autistic children served, the SCCC is provided with 1 additional special child care worker. As of September 2026, there were 192 service places under the programme, corresponding to a total of 32 additional special child care workers across 22 SCCCs (Note 67).

4.30 ***Need to specify service requirements for psychologists' periodic assessments in FSAs and ensure compliance.*** Of the 30 service users selected from the three SCCCs (see para. 4.28), all of which had been allocated subvention for employing additional special child care workers as of July 2026, 17 were autistic children, comprising 5, 6 and 6 children from SCCCs A, B and C respectively. Audit examination of the assessment reports and psychologists' service records for 2025-26 for these service users found that:

**Note 67:** *According to SWD, the number of service places under the programme has been specified in the FSA for each of the 22 SCCCs. NGOs have the flexibility to deploy subvention and arrange suitable manpower to meet the requirements set out in FSAs.*

(a) ***Required services of special provision programme for autistic children not provided.*** For SCCC A, there was no documentation indicating that psychologists' periodic assessments (see para. 4.29(b)(ii)) had been provided to the 5 autistic children; and

(b) ***Variations in service delivery practices under special provision programme for autistic children.*** As no guidelines on psychologists' periodic assessments had been laid down by SWD, service delivery practices varied across SCCCs, as follows:

(i) ***SCCCs B and C.*** Apart from the developmental assessments (see para. 4.2(a)) (Note 68), additional assessments (Note 69) were conducted by special child care workers specifically for autistic children under the programme. Although these assessments were not provided by psychologists, some clinical and/or service consultations were provided by educational psychologists; and

(ii) ***SCCC A.*** No additional assessments, other than the developmental assessments, were conducted for autistic children.

In the absence of the relevant guidelines, it could not be ascertained whether SCCCs B and C had complied with the service requirements for psychologists' periodic assessments, or whether an additional assessment beyond the developmental assessment was required.

4.31 ***Need to conduct a review of special provision programme for autistic children.*** According to SWD:

(a) the subvention allocated for employing the additional special child care workers is capped (i.e. no centres other than the existing 22 SCCCs shall

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**Note 68:** *According to the developmental assessment reports, the assessments were conducted by special child care workers and/or therapists.*

**Note 69:** *According to the reports of the additional assessments conducted specifically for autistics children under the programme, examples of assessment areas include basic interactive abilities, emotional expression and comprehension, and behaviour.*

be allocated extra resources, nor shall the level of extra resources allocated for these 22 SCCCs be increased); and

(b) with the increasing number of autistic children over the years, all SCCCs are now required to provide services to autistic children regardless of whether the SCCCs have joined the special provision programme in the past.

There was no documentation indicating that an evaluation of the special provision programme for autistic children had been conducted. Given the change in circumstances and the fact that the programme had been in operation for more than 30 years as of September 2026, together with the variations in service delivery practices across SCCCs, it would be timely for SWD to conduct a review of the programme.

### *Inadequacies identified in NGO's management of non-subvented services*

4.32 According to the LSG Subvention Manual, NGOs receiving subvention may concurrently operate self-financing services or implement projects that are not subvented or subsidised by SWD and are outside the scope of FSAs (i.e. non-subvented services), provided that the costs are apportioned for LSG resources spent on non-subvented services, and prior approval is sought from SWD for operating non-subvented services on the recognised premises/areas designated for delivering subvented services as agreed by SWD (see para. 3.30).

4.33 During Audit's visits to SCCCs A, B and C (see para. 4.23), Audit noted that, in addition to subvented services, SCCC C also operated non-subvented services. Audit examination of SCCC C's activity and cost-apportionment records for the period from April to August 2025 revealed that:

(a) some non-subvented programmes were taught by teachers (e.g. special child care workers) funded through LSG resources. Although the NGO had apportioned the expenditure on utilities, rent and rates, central administration and remuneration of the supporting staff, there was no apportionment of the teachers' remuneration between the subvented and non-subvented services; and

(b) there was no documentation indicating that SWD had approved the non-subvented services operated at SCCC C.

## Audit recommendations

4.34 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **take measures to ensure that SCCCs provide services to service users in accordance with the ESRs regarding the service hours and that the NGOs concerned accurately report their compliances with the ESRs in the annual self-assessment reports;**

(b) **identify SCCCs that adopt the arrangements of scheduling school holidays on weekdays, critically review such arrangements adopted by SCCCs to which the five-day service requirements apply, and take follow-up actions as appropriate;**

(c) **review the over-charging cases identified by Audit in paragraph 4.25(b) and take follow-up actions as appropriate (e.g. requesting the SCCC concerned to refund any over-paid amounts to the service users, as appropriate);**

(d) **take measures to ensure that SCCCs accurately report their performance on OSs in the half-yearly statistical information;**

(e) **review the instances where service users' absences resulted in the developmental assessments and individualised training programme plans not being completed/achieved, and take follow-up actions as appropriate (e.g. laying down relevant guidelines, taking measures to ensure proper documentation, and enhancing the accuracy of SCCCs' reporting on OS performance);**

(f) **specify the service requirements for psychologists' periodic assessments for the special provision programme for autistic children in FSAs, and take measures to ensure compliance;**

(g) **conduct a review of the special provision programme for autistic children, taking into account the the audit observations in this Audit Report, and take follow-up actions as appropriate; and**

(h) **take measures to ensure that NGOs properly apportion costs of subvented and non-subvented services, and seek prior approval from SWD before operating non-subvented services on recognised premises/areas in accordance with the LSG Subvention Manual.**

## Response from the Government

4.35 The Director of Social Welfare agrees with the audit recommendations.

## Monitoring of service delivery

### *Room for improvement in monitoring NGOs' performance*

4.36 According to the LSG Subvention Manual, NGOs/SCCCs are required to submit regular reports (e.g. half-yearly statistical information and annual self-assessment reports) and to provide action plan(s) in the annual self-assessment reports if there is any non-compliance or under-performance against the stipulated ESRs, OSs, OCs and SQSs. The action plan should include:

(a) the reasons for not achieving the standards or requirements;

(b) the actions taken or to be taken by the NGO (e.g. stepping up publicity efforts) to meet the agreed level of service performance standards as stipulated in FSA; and

(c) the planned timeframe for completing the proposed actions.

4.37 Audit noted that, in practice:

(a) SCCCs with under-performance against OSs may agree with SWD on certain step-up measures (e.g. if the average attendance rate falls short of the agreed level by less than 10%, an NGO should provide two special

programmes to children with disabilities and/or their parents). The step-up measures will be incorporated in the relevant FSAs upon SWD's approval. In 2025-26, among the 28 SCCCs with under-performance against OSs, NGOs of 19 SCCCs had agreed with SWD on implementing step-up measures (involving 3 out of 4 OSs with under-performance) whereas NGOs of the remaining 9 SCCCs had not; and

(b) if the step-up measures are reported as having been fully implemented in the half-yearly statistical information, the NGOs concerned are not required to report under-performance in the annual self-assessment reports or submit action plans, even when performance against the relevant OSs remains below the agreed levels. In 2025-26, for all OSs with under-performance for which step-up measures had been agreed, the NGOs concerned did not submit action plans, as the agreed step-up measures were reported as fully implemented.

4.38 Upon enquiry, SWD informed Audit in October 2026 that:

(a) cases of "step-up measures" usually involved evolving/diverging service demands, and there would be a conversion effect that the original OS agreed level would no longer apply, while the particular service output would be considered as "complied" when the agreed level of the "step-up measures" (e.g. programmes) was met; and

(b) step-up measures required service operators to put in extra effort to address any shortfall in meeting the original requirements, especially when the shortfall was due to changing demand or practical difficulties in providing the services. Instead of simply penalising the operator, the measures provided an adjusted requirement to meet the service needs, while also helping SWD check whether the original targets remained relevant.

Given that more than half of SCCCs (i.e. 28 out of 52 SCCCs) had reported under-performance against OSs and NGOs of most SCCCs (i.e. 19 out of 28 SCCCs) had agreed with SWD on implementing step-up measures in 2025-26 (see paras. 4.3 and 4.37(a)), Audit considers that SWD needs to review the practice of implementing such measures, including the waiver of action plan submission, and take follow-up actions as appropriate.

### *Need to timely notify NGOs of performance assessment visit results*

4.39 According to SWD, NGOs are subject to risk-based performance assessment visits by the Subventions Branch (see para. 1.16(b)) and the scope of visits cover the implementation of FSAs (e.g. ESRs and SQSs). According to the brief for the performance assessment visit attached to the letters sent to NGOs, SWD will generally complete the performance assessment work and notify the NGO concerned of the assessment results within 4 weeks after the visit.

4.40 Audit examined the records of performance assessment visits conducted at SCCCs for 2025-26 and found that, for 1 out of 6 visits conducted, SWD took about 6 weeks (i.e. about 2 weeks longer than the stipulated timeframe) to notify the NGO of the results (no non-compliance identified). Upon enquiry, SWD informed Audit in October 2026 that the actual time required might vary depending on the circumstances of each case, e.g. the submission of supplementary information from NGO after the visit. If additional time was required, the assessors would seek approval from their supervisors. However, there was no documentation indicating that the case identified by Audit, which took longer than the stipulated timeframe, involved NGO's submission of supplementary information or any supervisor's approval for additional time. In Audit's view, SWD needs to take measures to ensure that NGOs are notified of the performance assessment visit results within the stipulated timeframes as far as practicable, and that proper approval is sought in cases where additional time is required.

### *Room for improvement in CCCAI's inspection work*

4.41 CCCAI conducts various types of regular and surprise inspections at SCCCs, SCCC-cum-EETCs, SCCC-cum-RSCCCs and RSCCCs to monitor NGOs' compliance with the requirements such as those under the Child Care Services Ordinance and the Child Care Services Regulations (Cap. 243A). SWD has issued guidelines on the conduct of these inspections, including the required inspection frequency and the number of children's personal records that inspectors must examine during each inspection. According to SWD guidelines, CCCAI conducts the following types of inspections:

(a) for each RSCCC and SCCC-cum-RSCCC, social work inspections, health inspections and closed-circuit television footage review shall be conducted

at stipulated frequencies. Some social work inspections shall be conducted at night; and

(b) for each SCCC and SCCC-cum-EETC, social work inspections shall be conducted at a stipulated frequency.

4.42 Audit examined the records of inspections conducted in 2025-26 for the three SCCCs (see para. 4.23) and noted the following issues:

(a) ***Need to ensure the proper conduct of inspections.*** The checklist in the social work inspection report includes an item requiring inspectors to check whether the fees charged by the centre, other than the inclusive monthly fee (Note 70), are consistent with the fees approved by SWD (Note 71), where applicable. Relevant supporting documents are also required to be attached to the inspection report. However:

(i) for 5 social work inspections conducted at SCCC A, although the centre had imposed other fees (e.g. transportation fee and meal fee for OCCS for CD), the corresponding items in the 5 inspection reports were left blank, with no documentation indicating that the inspectors had checked the consistency between the imposed fees and the approved fees; and

(ii) for 3 social work inspections conducted at SCCC C, the inspectors reviewed only 5 out of the 7 types of fees approved by SWD. Transportation fee and meal fee for OCCS for CD were not covered in these 3 inspections;

(b) ***Need to enhance monitoring of timeliness of inspectors in completing inspection reports.*** In some cases, the inspectors took a relatively long

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**Note 70:** *The inclusive monthly fees for SCCC and RSCCC services have been waived since September 2017.*

**Note 71:** *According to the Child Care Services Regulations, no person shall charge or accept payment of any money or fee whatsoever on account of the attendance of a child at a centre other than the latest inclusive monthly fee gazetted, unless it is in addition to the inclusive monthly fee in respect of a centre and is charged/accepted with the prior approval, in writing, of SWD.*

time to complete the inspection reports, as no guidelines had been set on the expected timeframe. For the three SCCCs, the time elapsed between the inspection dates and the dates of inspection reports ranged from 4 to 340 days (averaging 74 days) for a total of 13 social work inspections conducted in 2025-26 (see Table 14). Upon enquiry, SWD informed Audit in October 2026 that the completion time of some inspection reports might be longer than expected if NGOs could not submit the required documents on time. Audit considers that SWD needs to enhance its monitoring, including specifying timeframes to ensure that NGOs submit the requested information promptly and that inspection reports are completed in a timely manner; and

**Table 14**

**Time elapsed between inspection dates and the dates of inspection reports for the three SCCCs visited by Audit (2025-26)**

| Type of inspections | Number of inspections | Range (Day) | Average (Day) |
|---|---|---|---|
| Social work inspections | 13 | 4 to 340 | 74 |
| Health inspections | 6 | 7 to 16 | 12 |
| Closed-circuit television footage review | 48 | 0 to 10 | 2 |

*Source:* *Audit analysis of SWD records*

(c) ***Need to specify requirements for notifying NGOs of inspection results.*** Audit noted that while NGOs were informed of the performance assessment visit results (see para. 4.39), no guidelines had been laid down on the requirements for notifying NGOs of the inspection results. Upon enquiry, SWD informed Audit in September 2026 that the person-in-charge of the centre would be met to conclude or review the findings identified in the inspection and advice would be given on-site. If there were issues requiring attention or areas for improvement, the centre would be notified in writing. However, in some cases, although no written results were issued to NGOs, issues requiring attention or areas for improvement were still noted during the social work inspections. For example, an inspector identified a non-compliance with a requirement under the Child Care Services

Regulations to report staff change to SWD within the specified timeframe. A similar finding had been identified in a previous social work inspection at the same SCCC.

### *Room for improvement in renewing FSAs*

4.43 According to the LSG Subvention Manual, the renewal of an expiring FSA is subject to service demand and satisfactory service performance of the operator. According to SWD, when renewing an expiring FSA, SWD reviews the SCCC's performance over the past 3 to 5 years in general, including their performance against OSs and OCs, compliance with ESRs and 16 SQSs, and any complaint issues (where applicable). Audit examined FSAs and their renewal records for the three SCCCs (see para. 4.23) and noted that:

(a) when evaluating compliance with ESRs and SQSs, SWD relied solely on the annual self-assessment reports it received. For SCCC A, a warning letter relating to a non-compliance with the Child Care Services Regulations (one of the ESRs) was issued to the NGO by CCCAI during the FSA period. However, SWD did not take this warning letter into account during the FSA renewal process; and

(b) when evaluating performance against OSs, SWD considered:

(i) the actual performance of each OS (for OS without step-up measures); and

(ii) the achievement of the step-up measures (i.e. whether the measures are fully implemented) (for OS with step-up measures).

However, even though the agreed step-up measures were fully implemented, there remained under-performance against some of the OSs (see para. 4.37(b)), and these shortfalls were not taken into account during the FSA renewal process.

## Audit recommendations

4.44 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **review the practice of implementing step-up measures, including the waiver of action plan submission, and take follow-up actions as appropriate;**

(b) **take measures to ensure that SWD staff notify NGOs of the performance assessment visit results within the stipulated timeframes as far as practicable, and seek proper approval in cases where additional time is required;**

(c) **regarding CCCAI's inspections:**

(i) **take measures to ensure that inspectors conduct inspections properly, including ensuring that all applicable items on the checklist in the inspection reports are covered and that all documents required for each checklist item are reviewed during the inspections;**

(ii) **enhance monitoring of the inspectors' timeliness in completing inspection reports (e.g. specifying the required completion timeframe in SWD guidelines and tracking compliance with those requirements); and**

(iii) **specify the requirements for notifying NGOs of inspection results in SWD guidelines, including the criteria for determining which matters constitute issues requiring attention or areas for improvement, and take measures to ensure compliance with those requirements; and**

(d) **take into account the actual non-compliances with ESRs and SQSs (e.g. as reflected in warning letters issued) and the actual performance against OSs when reviewing the SCCCs' performance during the FSA renewal process.**

## Response from the Government

4.45 The Director of Social Welfare agrees with the audit recommendations.

# PART 5: WAY FORWARD

5.1 This PART examines issues related to the way forward for PRS.

## New school-based model of pre-school rehabilitation services

5.2 In response to the Persons with Disabilities and Rehabilitation Programme Plan's recommendation that the Government should review the positioning of various PRS, SWD conducted a repositioning review in 2025 and concluded that a new school-based model of PRS should be fully implemented in September 2027. In the 2026-27 Budget, SWD was allocated additional annual recurrent resources of $263.8 million for implementing the model, including the bridging and support services (see para. 2.44).

### *Need to closely monitor progress of implementing the new school-based model of PRS*

5.3 ***Trial runs of new school-based model.*** According to SWD, FSAs for NGOs providing OPRS and IP would be revised before the full implementation of the new school-based model of PRS in September 2027. Audit noted that SWD had taken various actions to map out the implementation details of the new school-based model and the proposed bridging and support services. These actions included conducting the first trial run of the new school-based model, covering 12 KGs/KG-cum-CCCs from April to August 2026, as well as collecting monthly statistical data, questionnaires and implementation proposals from the NGOs concerned. According to SWD, the preliminary questionnaire results from the first trial run were generally positive (Note 72). As of September 2026, SWD's assessments of the NGOs' implementation proposals were in progress. In the same month, SWD commenced the second trial run of the school-based model covering 112 KGs/KG-cum-CCCs.

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**Note 72:** *According to SWD, the preliminary questionnaire results showed that: (a) the responding parents generally recognised the effectiveness of the new school-based model; (b) all the participating KGs/KG-cum-CCCs agreed or strongly agreed that collaboration between them and OPRS teams had become closer; and (c) all the NGOs operating OPRS teams confirmed that multidisciplinary collaboration had been strengthened.*

5.4 ***Consultations with the relevant parties.*** According to the 2026 Policy Address, the Government is committed to increasing the quotas for PRS to achieve zero waiting time for on-site support and will exempt KG children with special needs from going through the central waiting list, so that they receive better and earlier support through personalised services designed by their KGs and multidisciplinary service teams. SWD consulted the Rehabilitation Advisory Committee (see Note 34 to para. 2.42) on 9 October 2026 and the LegCo Panel on Welfare Services on 12 October 2026 on SWD's plan to fully implement the new school-based model in September 2027. According to SWD, it planned to consult the Commission on Children (Note 73) in the first quarter of 2027.

5.5 In Audit's view, SWD needs to closely monitor the progress of implementing the new school-based model of PRS, including completing the necessary preparation work in accordance with SWD's implementation schedule.

## *Need to formulate plans for EETCs with surplus service places*

5.6 Audit noted that, according to the Persons with Disabilities and Rehabilitation Programme Plan, the Government should continue to increase service places for SCCC with a view to shortening the waiting time for Tier 3 children. According to SWD, upon the implementation of the new school-based model, EETC services would be refocused on serving three categories of children (Note 74), and surplus EETC service places might arise in the long run. As such, the conversion of EETCs with surplus service places into SCCCs would be explored in future.

5.7 Upon enquiry, SWD informed Audit in August 2026 that its current main focus was to seek additional resources to provide more places to meet service demand for SCCC, and that it might consider conducting a service review depending on future changes in service needs. In Audit's view, to optimise resource utilisation, SWD

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**Note 73:** *The Commission on Children is the Government's advisory body that provides overall steer on children initiatives, sets policy directions and oversees their implementation.*

**Note 74:** *The categories comprise: (a) children aged under 3 with mild to severe disabilities; (b) children who are at risk of becoming disabled and not studying in KGs/ KG-cum-CCCs; and (c) children aged 3 to 6 with disabilities who are on the waiting list for SCCC services.*

needs to formulate plans for the conversion of EETCs with surplus service places into SCCCs as early as practicable.

### *Need to keep under review the overall supply and demand for PRS*

5.8 According to SWD, it has been closely monitoring the supply and demand of various types of PRS. Audit noted that:

(a) while projections were made for various types of PRS, SWD did not project the supply and demand for OPRS; and

(b) according to SWD, the projection had taken into account various relevant factors, including the projected population of children aged under six, the number of enrolled and waitlisted cases, and the service places to be provided from planned projects. However, it had not taken into account the number of children receiving PRS from the private sector. Such children may seek subvented PRS, which could lead to changes in the overall demand and supply for the services.

5.9 According to SWD, upon full implementation of the new school-based model, the supply and demand for various PRS will be subject to changes. The Government will review in a timely manner other PRS, including the service positioning, service mode and mutual interface of EETCs with other PRS. In Audit's view, SWD needs to keep under review the overall supply and demand for PRS and take follow-up actions as appropriate. In light of the areas for improvement identified by Audit in the planning and delivery of different types of PRS and the related service support, SWD also needs to take these into account when planning the services in future.

## Audit recommendations

5.10 **Audit has *recommended* that the Director of Social Welfare should:**

(a) **closely monitor the progress of implementing the new school-based model of PRS, including taking measures to ensure the timely completion of assessment of NGOs' implementation proposals and the second trial run of the model, and consulting the relevant parties in**

**accordance with SWD's implementation schedule, so as to facilitate the full implementation of the model in September 2027 as planned;**

(b) **formulate plans for the conversion of EETCs with surplus service places into SCCCs as early as practicable;**

(c) **keep under review the overall supply and demand for PRS, including making projections for all types of PRS at regular intervals that take into account children receiving PRS from the private sector, and make adjustments to service provision as appropriate to further improve the provision of PRS; and**

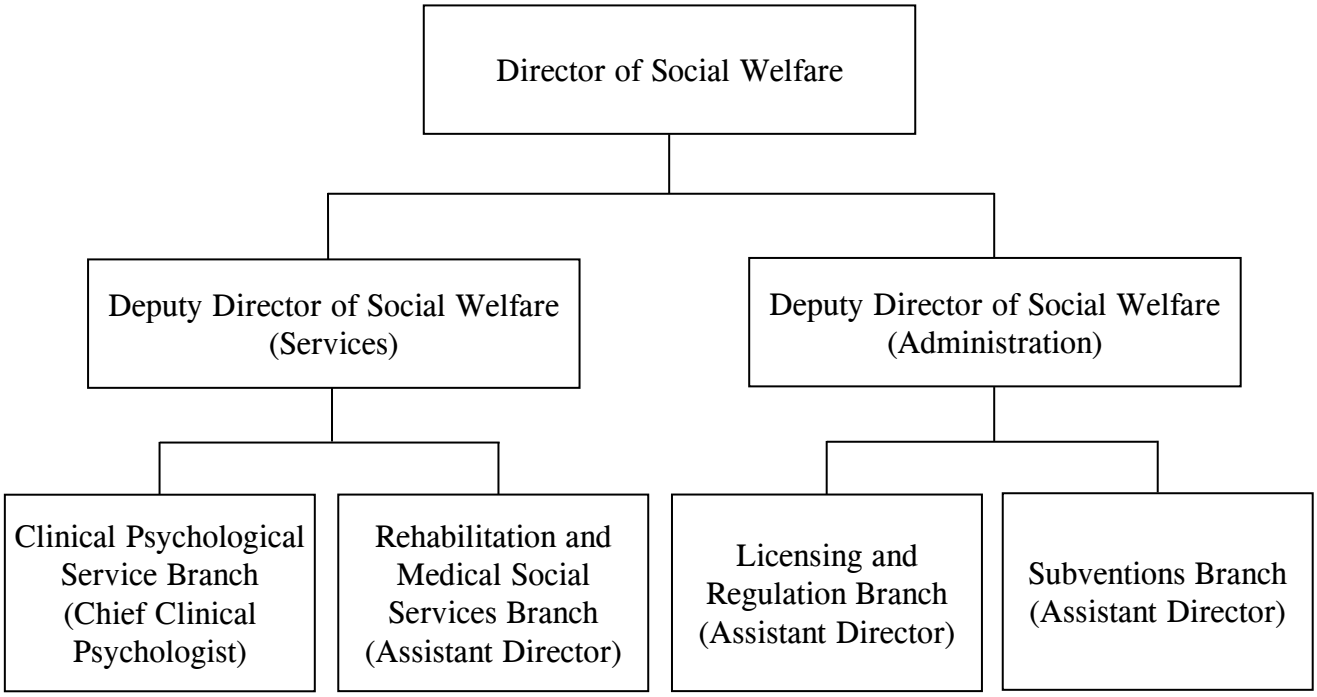
(d) **take into account the audit observations and recommendations in the Audit Reports (including this Audit Report and Chapter 5 of the Director of Audit's Report No. 87) when planning the provision of subvented PRS and the related service support (e.g. TSP) in future.**

## Response from the Government

5.11 The Director of Social Welfare agrees with the audit recommendations.

**Appendix A**
(para. 1.16 refers)

## Social Welfare Department: Organisation chart (extract) (31 March 2026)




*Source:* *SWD records*

*Remarks:* *Only the branches related to PRS are shown.*

**Appendix B**

## Acronyms and abbreviations

| | |
|---|---|
| Audit | Audit Commission |
| CAC | Child Assessment Centre |
| CCCAI | Child Care Centres Advisory Inspectorate |
| CPMS | Central Para-medical Support Service |
| CPSS | Central Psychological Support Service |
| CRSRehab | Central Referral System for Rehabilitation Services |
| DH | Department of Health |
| DSTT | District-based Speech Therapy Team |
| EETC | Early Education and Training Centre |
| ESR | Essential Service Requirement |
| FSA | Funding and Service Agreement |
| HA | Hospital Authority |
| IP | Integrated Programme in Kindergarten-cum-Child Care Centre |
| KG | Kindergarten |
| KG-cum-CCC | Kindergarten-cum-child care centre |
| LegCo | Legislative Council |
| LSG | Lump Sum Grant |
| NGO | Non-governmental organisation |
| OC | Service Outcome Standard |
| OCCS for CD | Occasional Child Care Service for Children with Disabilities |
| OPRS | On-site Pre-school Rehabilitation Services |
| OS | Service Output Standard |
| PRS | Pre-school rehabilitation services |
| RSCCC | Residential Special Child Care Centre |
| RSP | Recognised Service Provider |
| SCCC | Special Child Care Centre |
| SPMIS | Service Performance Management Information System |
| SQS | Service Quality Standard |
| SWD | Social Welfare Department |
| TSP | Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services |