

For Discussion
On 12 July 1999

**Joint Meeting of the
LegCo Panels on Welfare Services and Home Affairs
Fundamental Expenditure Review on Youth**

Introduction

This paper provides information on the background and progress of the Fundamental Expenditure Review on Youth.

2. Fundamental expenditure reviews (FER) are part and parcel of the Enhanced Productivity Programme (EPP) to examine major policy areas of government activities. The initial stages of a fundamental review of expenditure involves a stock-taking of expenditure across Government bureaux and departments and subvented organisations on a particular policy area; a clear setting of the objectives and outcomes to be achieved in that policy area having regard to the community's needs; and very importantly, a critical re-appraisal of whether the currently funded activities are still meeting the community's needs and contributing towards those objectives and outcomes.

3. An FER is therefore top-down, policy driven and concerned with fundamental issues. Through the process, we expect to be able to take decisions to terminate or phase out activities which are no longer supporting the needs of the community, or to develop strategies to pilot new and alternative modes of delivery of services to the community to ensure greater cost-effectiveness. We stress, however, that the process is not a cost cutting exercise, but rather one that helps us achieve the best value for money from public sector expenditure, particularly at this difficult time.

FER on Youth

4. Recurrent government expenditure on youth cuts across a number of bureaux and departments under the policy responsibilities of Secretary for Health and Welfare, Secretary for Home Affairs and Secretary for Education and Manpower respectively. We estimate current expenditure each year on these activities at around \$1.4 billion. The

major spending programmes include –

- (a) Children and youth centre service (\$550.7m);
- (b) School social work service (\$182.9m);
- (c) Residential homes for marginal youth (\$185.9m); and
- (d) School extra-curricular activities, programmes, grants and prizes, and miscellaneous education services (\$135.9m).

5. In view of the substantial expenditure involved and the community expectation on our young people to be more involved in building up the future of Hong Kong, we have decided to carry out a fundamental expenditure review on youth. Home Affairs Bureau has been selected to be the policy bureau to coordinate the review. The Secretary for Home Affairs has set up an inter-departmental Steering Committee to oversee the FER on Youth and to make recommendations.

6. The FER on Youth aims to develop a rigorous picture of the policies, activities and resources devoted to the youth policy objective, and more importantly, proposals to get the most benefits for the community from the resources now being allocated to these activities.

7. The support and views of the community will be invaluable in the FER on Youth, and we have consulted the Commission on Youth on how best to take the review forward. The Commission is supportive of the FER on Youth and has set up a Working Group with co-opted members from the education and youth services sectors to work closely with the Administration on matters related to the FER on Youth, particularly on the public consultation process.

Way Forward

8. The Steering Committee is being assisted in the FER on Youth by consultants retained by the Efficiency Unit. We expect to develop a unified Government-wide Policy Objective on youth services and Key Result Areas, to map current activities and expenditure against the Policy Objective and Key Result Areas, and to make recommendations to re-align resources and activities to meet the current needs of the

community. The Commission on Youth will be closely consulted in the process.

Home Affairs Bureau
5 July 1999