

**Speaking Note for SHW
at the Special Meeting of the Finance Committee
on Thursday, 23 March 2000**

Mr Chairman and Members,

In the coming year, we propose to allocate a recurrent provision of **\$30.8 billion** and **\$29.8 billion** for health and welfare services respectively to meet our targets in these policy areas.

Health

On health care services, we propose to spend **\$30.8 billion**, which represents a real growth of **2.8%** over the current year. Health care spending will account for **14.7%** of the total recurrent public expenditure.

Hospital Services

Of the \$30.8 billion, **\$28.0 billion** will be allocated to HA, representing an increase of **2.2%** over the **\$27.4 billion** this year.

The additional resources will be used to commission **460** new beds and health facilities to meet the growing need for health care. By the end of 2000-01, the total number of beds in the public sector would rise to around 29 000.

To meet future health care needs and improve the quality of services, we propose to spend **\$2.3 billion** in 2000-01 on capital works projects. These include, amongst others, the redevelopment and expansion of Pok Oi Hospital, and the relocation of the Tang Shiu Kin Hospital Accident and Emergency department to the Ruttonjee Hospital.

Primary Health Care

In the coming year, the Department of Health will further strengthen its work on preventive care, disease prevention and health promotion, developing long term strategies and intersectoral cooperation. The focus will include anti-smoking campaign and cooperation with Elderly Commission in mapping out the strategy on healthy aging.

Another focus in the coming year will be on the development of Chinese medicine. The establishment of a regulatory system will enhance the standard of practice and public confidence in the use of Chinese medicine, paving the way for further development of Chinese medicine.

Health Care System

While we will continue the investment in our health care infrastructure, we need to ensure that despite rising health care costs, we have a sustainable health care system, which provides an accessible, affordable and quality health care services for the public. This can only be achieved if there is shared responsibility between the individual and the government.

The Harvard Report released last year has generated substantial debate on this subject of health care reforms. We will soon publish a Government document, setting out our proposals on service re-organization, quality assurance and financing options. I look forward to receiving your advice and views on these proposals.

Social Welfare

In 2000-01, we propose to spend **\$29.8 billion** on welfare services, accounting for **14.2%** of the total recurrent public expenditure and a real growth of **9.2%** over the current financial year.

Elderly Services

In the coming year, we will spend **\$1.8 billion** on residential care services for the elderly. We will provide 2 510 additional residential places.

We will spend **\$840.0 million** to provide community support services for the elderly, up **7.2%** from last year. We are conducting a review on the existing community support services with a view to improving the interface among various types of home-based, community and residential care services for the elderly to enable more frail elderly people to continue to live at home.

Social Security

On social security services, we are encouraged by the results of the package of measures introduced in June 1999 to assist able-bodied CSSA recipients to become self-reliant and independent. The **16.0%** drop in CSSA unemployment caseload since June 1999 clearly demonstrates that many employable recipients do not wish to rely on CSSA indefinitely; and with assistance, they can become self-reliant.

To provide more assistance to able-bodied CSSA recipients to help them overcome barriers to work, the Government has earmarked about **\$200.0 million** in 2000-01 for implementing the Self-reliance Strategy. The package of initiatives aims to encourage self-reliance through various employment assistance and support programmes (including counselling, retraining, child-care support and community care services) to enable the unemployed and the single parents to rejoin the work force and help low income recipients find better paid job; to relax some requirements under the CSSA Disregarded Earnings arrangements; and to assist the new arrivals. The proposed measures are summarised at Appendix for Members' reference.

Other Direct Welfare Services

In the coming year, we propose to spend **\$1.4 billion** on youth services. We will continue to improve and introduce new initiatives, to enhance and expand other welfare services. For example, we will provide one school social worker in each secondary school by phases.

We propose to spend **\$1.7 billion** on family and child welfare services. We will continue to strengthen our services by providing additional day nursery places; small group homes; child protection workers; social workers to strengthen family education; and clinical psychologists.

We will also continue to ensure that people with disabilities are provided with care and support to facilitate their integration and full participation in the community. We will provide additional residential places; day care places; pre-school places for children with disabilities; and support services for the chronically ill. We propose to spend **\$2.2 billion** on rehabilitation services, an increase of **4.8%** over last year.

[Revised]

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Promoting Self-reliance Strategy

The package of initiatives to be implemented under the Promoting Self-reliance Strategy includes the following –

- The Active Employment Assistance (AEA) programme will be extended to cover all CSSA unemployment cases and low earning cases where the recipients are not working full-time;
- Single parents and the low earning CSSA cases who are already working full-time will be encouraged to join a voluntary employment assistance programme which aims at helping them to find work or move on to better-paid jobs;
- Social Welfare Department will work closely with Labour Department, Employees Retraining Board and non-government organizations to implement tailor-made programmes to encourage single parents and unemployed CSSA recipients to rejoin the work force;
- We will remove the restrictions on income and hours of work under the CSSA Disregarded Earnings arrangement. This relaxation will be subject to review after two years;
- We will enhance child-care support for working parents. The Government will extend the opening hours in 100 subvented child care centres and provide subsidies for 6 000 after-school care places for children between the age of 6 and 12. This will help address the problem of children left unattended at home, and enable parents to join the work force or attend re-training programmes;
- The Government will provide additional assistance to new arrivals both before and after their entry into Hong Kong to help them integrate into the community quickly;
- Additional support and counselling services will be provided for single parents and victims of domestic violence to help them handle their emotional problems, reduce their long-term dependence on welfare services and encourage self-reliance. In particular, a one-stop shop will be available for victims of domestic violence; and
- The Government will provide additional home/community care services for the elderly to enable more frail elderly people to continue to live at home and to enable their able-bodied family carers to go out to work.