

**Speaking Note for SHWF at the
Special Meeting of Finance Committee
on Wednesday, 26 March 2003**

Mr Chairman and Members,

In the coming year, we propose to allocate **\$72.6 billion** to health, social welfare, food and environmental hygiene services to meet our targets in these policy areas as well as to support the work of the Women's Commission. This represents **28.3%** of the Total Government Expenditure.

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| Health |
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On healthcare services, we propose to spend **\$31.9 billion** of recurrent expenditure in 2003-04. This represents a real growth of **0.2%** or a nominal decrease of **1.8%** over the current year, and accounts for **15.4%** of the Total Recurrent Government Expenditure.

In the coming year, the Department of Health (DH) will continue to strengthen preventive care through re-engineering its services into a life-course holistic approach covering Parenting Programme, Adolescent Health Programme, Cervical Screening Programme, Men's Health Programme and Elderly Programme, etc.

In the development of Chinese medicine, we will phase-in the controls over the trading and manufacture of Chinese medicine and set up three Chinese medicine out-patient clinics to promote the development of evidence-based Chinese medicine practice and facilitate interface between western and Chinese medicine.

To enhance the primary medical care for the public, we will develop a pluralistic primary care model to provide community-based, patient-centred and integrated health care services to the

community. In this connection, the transfer of the general out-patient clinics from DH to HA scheduled for July 2003 will provide opportunities for the development of a model of integrated community-based health care system and the promotion of family medicine practice.

In line with the international trend to focus on the development of ambulatory and community care programmes, HA will continue to strengthen its ambulatory and community-oriented services. These include stepping up its day patient services, and enhancing the Extended-Care patients Intensive Treatment, Early diversion and Rehabilitation Stepping-stone project, and the Elderly Suicide Prevention Programme.

With limited public resources, we need to re-create the health care system to be affordable and financially sustainable. In particular, we will continue to enhance the productivity and improve cost-effectiveness in the public health care system, review policies on medical fees and charges, and study the viability of the Health Protection Account proposal.

Social Welfare

In 2003-04, we propose to spend **\$32.8 billion** of recurrent expenditure on social welfare services, including provision to support the work of Women's Commission. This represents a real growth of **7.5%** or a nominal increase of **4.1%** over the current year, and accounts for **15.8%** of the Total Recurrent Government Expenditure.

The Government will continue to provide a social safety net for those least able to look after themselves. In the coming year, we propose to allocate **\$22.8 billion** financial assistance to those in need, including **\$17.0 billion** for CSSA Scheme. This represents an increase of **4%** over the current year. To assist the able-bodied CSSA recipients to be self-reliant, we will intensify our existing support measures to enable them to go back into the workforce.

On services for elders, we propose to spend **\$3.6 billion** in 2003-04, **9.1%** increase over the current year. We will keep under review the current social security arrangements for elders with a view to developing a long term sustainable financial support system that better targets resources at elders most in need. For those with long term care needs, we will provide them with additional residential care services and expand the provision of enhanced home and community care services.

On family and child welfare, we propose to spend **\$1.7 billion** in 2003-04. Under the direction of a child-centred, family-focused and community-based approach, we will continue to develop a new service delivery model to provide a continuum of preventive, supportive and remedial services for our families.

On youth welfare, we propose to allocate **\$1.3 billion** in 2003-04, **3.6%** increase over the current year. We will continue to enhance youth services through an integrated and holistic approach to help our young people, in particular those at risk, to become responsible and contributing members of our society.

On rehabilitation services, we propose to spend **\$2.7 billion** in 2003-04, **3.0%** increase over the current year. We will continue to improve the social rehabilitation for people with disabilities by providing additional day and residential services, and introduce integrated vocational rehabilitation services.

Women's Interests

In the coming year, we will allocate **\$22.9M** to support the work of the Women's Commission in promoting the well-being and interests of women in Hong Kong. We will continue to adopt the three-pronged strategy of gender mainstreaming, empowerment of women and public education in order to create an enabling environment to develop women's full potential and to build up their capacity.

Food and Environmental Hygiene

In the coming year, we propose to spend **\$4.7 billion** of recurrent expenditure on food and environmental hygiene services. This represents a real growth of **3.7%** or a nominal increase of **2.1%** over the current year, and accounts for **2.3%** of the Total Recurrent Government Expenditure.

On food safety, we remain committed to devise strategies to assure the safety and quality of our food. To minimize the risk of avian influenza outbreaks, we will continue to upgrade the biosecurity standard of local farms, introduce stringent hygienic practices in farms and markets, and improve the effectiveness of the surveillance system. To protect public health, we will introduce legislative changes to food law in the light of international standards.

On environmental hygiene, we will put in place effective surveillance and risk assessment programmes in mosquito and rodent control, and implement a timely and effective vector control and vector borne disease response programme. To improve the competitiveness of public rental markets, we will adopt user-friendly design for new markets, upgrade the facilities and enhance the management of existing markets.

Efficiency Savings

In the coming year, we will deliver efficiency savings at 1.8% of our recurrent budget. To deliver the targeted efficiency savings, we will re-prioritise our services and pursue a variety of re-organisation and re-engineering measures whilst minimizing the impact on the community. In the years to come, we will work closely with stakeholders to look for further service rationalization and re-prioritisation plans to strive for delivering the committed services with reduced resources. Pending the outcome of various organizational reviews and finalisation of savings measures, we should be able to provide more details.

Thank you.