

**Speaking Note for SHWF
at the Special Meeting of the Finance Committee
for Examination of the 2004-05 Draft Estimates
to be held on 31 March 2004**

Mr Chairman and Honorable Members,

I would like to start by giving you an overview of the proposed budget and major areas of work of the Health, Welfare and Food Bureau for the coming year. We will then answer your questions.

Total Provision for 2004-05

In 2004-05, we propose to allocate **\$68.2 billion** recurrent provision to health, food and environmental hygiene, social welfare and women's interests policy areas. The provision is net of efficiency savings to be achieved for the year and accounts for **33.6%** of the total recurrent government expenditure. This represents a decrease of **\$0.4 billion** over the revised estimates for the current year.

Given the special needs of the sectors under my policy areas, we will redeploy some of the savings achieved to strengthen communicable disease control and to further develop elderly services.

Major Initiatives in 2004-05

Health

On the health front, we will ensure that our healthcare systems are of quality, equitable, efficient, cost-effective and accessible to the public. With the SARS outbreak last year and the threat of avian flu this year, one of our major tasks will be to strengthen our communicable diseases prevention and control systems and infrastructure. In the coming year, we will set up a Centre for Health Protection and develop a major disease outbreak control plan. We will keep collaborating with the Pearl River Delta region for exchange of information on communicable diseases, strengthen control in hospitals and clinics, and enhance staff training in that respect. Through a dedicated research fund of \$450 million, we will support research on prevention, treatment and control of communicable diseases.

On the long-term financial sustainability of the public health care system, we will work with the HA to identify further means to improve productivity and efficiency. We will continue to explore areas where collaboration and interface between the public and private sectors can be gainfully pursued. We will keep reviewing the need for further fee restructuring, and conduct studies on the relevance and suitability of various healthcare financing options to Hong Kong.

Furthermore, to provide better preventive care for the public, we will introduce amendments to the Undesirable Medical Advertisements Ordinance and Smoking (Public Health) Ordinance, and implement an administrative control system to regulate medical devices. In line with our strategy of adopting community-oriented service models, we will continue to strengthen the community mode of healthcare delivery and enhance the medical support for elderly care homes through the Visiting Medical Officer Scheme.

Food and Environmental Hygiene

On the food safety and environmental hygiene fronts, the recent unprecedented outbreaks of avian influenza in poultry in the region have aroused grave concerns over the potential health risk of avian influenza posed to humans. We will ensure that precautionary measures are in place and will continue to develop proposals to address the avian flu problem in the coming year. We will soon start the consultation process on the possible options to reduce the contact between the public and live poultry. We will certainly take into consideration the views of the trade, stakeholders and the public before we make any decisions.

To ensure food safety, we will ensure a comprehensive and integrated approach in food chain management by putting in place the necessary infrastructure. To this end, we will introduce legislative changes to food law in the light of international standards, put forward proposals on nutritional labeling in Hong Kong and evaluate the

implementation of the “from-feed-to-table” concept in the coming year.

Social Welfare

In the social welfare arena, as a follow-up to the 2004 Policy Address, we will continue to engage relevant parties in developing our strategies to enhance social capital and examine ways to develop the tripartite partnership between the Government, the business community and the third sector. Furthermore, we will earmark an additional \$200 million on a one-off basis to promote the development of the tripartite social partnership and to encourage corporations to take part in helping the disadvantaged. We will also continue to strengthen community support network, promote mutual concern and help, and foster a caring society by granting funding to support community-initiated projects through the Community Investment and Inclusion Fund.

Moreover, we remain committed to implementing an effective and sustainable safety net, particularly through the Comprehensive Social Security Assistance (CSSA) Scheme, to look after those least able to help themselves, such as needy elders and the disabled. Sufficient provision will be set aside for providing the safety net for those with genuine needs. We will also continue our efforts to assist the able-bodied recipients to become self-reliant.

Despite the current fiscal situation, I would like to assure Members that essential services for families, elders, people with

disabilities, youths and other disadvantaged groups will not be affected. To meet the service needs of these clients groups, we will, in the coming year, continue to provide additional residential and day care services for elders, re-engineer the department and NGOs' family services centres/counselling units into Integrated Family Service Centres, provide additional residential, day care and training places for people with disabilities, as well as additional school social work service and integrated services for our young people.

Women's Interests

In respect of promoting the well-being and interests of women, we will introduce a "Gender Mainstreaming Checklist" to more policy areas and establish a "Gender Focal Points Network" within the Administration; further develop the Capacity Building Mileage Programme; work with relevant parties to enhance women's participation in advisory and statutory bodies; and conduct public education programmes to enhance public awareness of gender-related issues and reduce gender stereotyping.

Efficiency Savings

To help restore the fiscal balance, we will implement a variety of measures in 2004-05 to deliver savings. Examples are: re-organisation of the Material and Child Health Centres; implementation of the voluntary early retirement scheme in the Hospital Authority;

outsourcing of the management of a government fresh food wholesale market; closing or hiving off of welfare service units; re-engineering of operations and streamlining workflows, etc.

We will minimize the impact of these measures on the community and continue to redeploy resources to priority areas to meet service needs. We will also continue our dialogue with the sectors concerned to ensure smooth implementation of the measures, and render every assistance to individual agencies that have genuine difficulties in meeting the targets.

Mr Chairman, my colleagues and I will be happy to answer questions from Members.

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