

Extract of paragraphs 63 to 66 in the 2006-07 Budget

~~60. Over the next five years, the Government will earmark \$29 billion a year on average for infrastructure projects. We estimate that about 14 000 new construction jobs will be created in the coming year. We will speed up delivery of the outstanding projects of the former Municipal Councils and other minor works projects. We will, as soon as possible, commence the major projects under planning, such as the North Lantau Highway Connection to the Hong Kong-Zhuhai-Macao Bridge and the Central Government Complex and LegCo Building at Tamar. These will create more construction employment opportunities and ensure that public works expenditure remains stable over the next few years. Meanwhile, the community is engaged in discussing the plans for other large-scale projects, including Kai Tak Development and the Central-Wan Chai Bypass.~~

61. Madam President, increasing investment in infrastructure will not only promote economic development and bring more job opportunities, but also make our living environment more pleasant and enhance our competitiveness. We have a number of large infrastructure projects under planning, and we hope to start the works more quickly. Since our fiscal position has improved, we now have the opportunity and resources available to proceed. I hope that in a spirit of co-operation, and with the objective of building Hong Kong, we can reach an early consensus on these projects. In line with our principle of investing where required, I am in support of pushing ahead with infrastructure development and am prepared, if necessary, to increase the estimate of expenditure for this.

62. By March 2007, we will have been able to reduce the civil service establishment from some 198 000 at the beginning of 2000 to about 160 000, as scheduled. Subject to operational requirements, we will retain existing ~~temporary jobs in the public sector for a further year.~~

Helping the Disadvantaged Groups

63. The Government is committed to helping the needy. We have made enormous investments in education, medical care, public housing and provision of a basic safety net. To put into practice the Chief Executive's policy objective that government should be for the people, I will increase the recurrent funding to help disadvantaged groups by about \$100 million, starting from 2006-07. New and improved services will be funded by:

- an additional \$27 million to strengthen convalescent and continuing rehabilitation day services for discharged disabled and psychiatric patients, and to enhance services for the disabled living in residential rehabilitation service centres;
- an additional \$30 million to strengthen family support, including enhanced out-reach services from Integrated Family Services Centres;
- an additional \$20 million to strengthen home care services for the elderly to realise our vision of “ageing in place”; and
- an additional \$20 million to improve the pilot Comprehensive Child Development Service and gradually extend its coverage for early identification of children and their families with special needs, such as single-parent and low-income families, and provision of appropriate services for them.

64. Jobs are the best way of helping the unemployed restore their confidence and achieve self-reliance. To assist those in need who are capable of working, our focus is not only on providing welfare, but also on enhancing their capability through education and training, and giving them proper employment assistance and support. Over the next five years, I will provide additional funding of about \$230 million to strengthen our efforts to help the needy. New and improved services will be funded by:

- an additional \$60 million over the next two years to continue the Intensive Employment Assistance Projects, to help unemployed CSSA recipients rejoin the workforce;
- an additional \$20 million next year to strengthen our employment assistance measures, which include:
 - introducing the pilot My STEP – Special Training and Enhancement Programme to motivate unemployed young CSSA recipients to rejoin the workforce;
 - strengthening employment assistance at the district level for long-term CSSA recipients by providing a one-off incentive

of \$1,500 on a trial basis to help them settle into their new jobs;

- providing short-term travel support on a trial basis for Tin Shui Wai, Tung Chung and North District residents who are financially needy and have completed full-time courses with the Employees Retraining Board. This will encourage unemployed people in districts further afield who are not receiving CSSA to take up employment; and
- training the staff who run social enterprises; and
- an additional \$150 million over the next five years earmarked to strengthen district-based poverty alleviation work, including support for social enterprises.

65. The Government will assist further in the development of social enterprises. We propose to relax the existing requirement, under the Enhancing Employment of People with Disabilities through Small Enterprise Project, for an applicant's workforce to comprise more than 60 per cent of disabled people before qualifying for a grant. This relaxation will enable social enterprises to expand their business activities and allow more unemployed and disabled persons to benefit. Social enterprises will also be able to enjoy the support services now generally available to SMEs. Subject to the principles of transparency, fairness and value for money in government procurement, we will facilitate participation by social enterprises in tenders for government contracts.

66. Last year, we established the Commission on Poverty in order to review current policies with the ultimate aim of enhancing their effectiveness. In the coming year, the Commission will continue to study how to help the poor and disadvantaged and co-ordinate the implementation of the foregoing initiatives.

Healthcare Financing

67. Our healthcare services are heavily subsidised. The Government bears over 95 per cent of their cost. Rapid advances in medical science and pharmaceutical technology mean more expensive treatments and drugs and lead to even higher expenditure. According to the Hong Kong Population