

# CE's speech in delivering "The Chief Executive's 2021 Policy Address" to LegCo (8)

## VII. Continuously Improving People's Livelihood

### Increased Expenditure on Welfare

120. As reflected in the allocation of resources, the current term Government is committed to building a caring community and looking after the underprivileged. Recurrent expenditure on social welfare has significantly increased from \$65.3 billion in 2017-18 to \$105.7 billion in 2021-22, an increase of 62% over four years. It is the biggest expenditure area amongst different policy areas, accounting for about 20% of overall recurrent government expenditure. In the face of the uncertainties in our economic outlook and serious fiscal deficits, the Government will focus on the implementation of planned policy initiatives in the year ahead and review their effectiveness from time to time to ensure that needy citizens can benefit.

### Poverty Issue

121. The wealth gap issue in Hong Kong is the community's primary concern. It is the responsibility of the Government to take care of those in need by providing a social safety net through income redistribution. According to statistics released at the end of last year, the size of the poor population in 2019, after taking into account all the cash and PRH benefits, decreased significantly from the pre-intervention 1.49 million to 0.64 million. This shows that the safety net has effectively achieved the function of income redistribution by providing concrete support for the grassroots and lifting them out of poverty.

122. The setting of a poverty line for Hong Kong based on the concept and methodology of relative poverty, which only measures income without considering assets, was advocated by me as Chairman of the Commission on Poverty, in my capacity as the Chief Secretary for Administration. The objective is to monitor the poverty situation and alleviate poverty with targeted efforts through regular data collection and analysis. Past analyses show that elderly and working poor households are two groups requiring special attention, and PRH is the most effective poverty alleviation measure. As such, there are views that the poverty problem of Hong Kong is in fact a housing problem. Besides expediting the development of PRH, the current term Government has significantly improved cash welfare over the past few years. First, the introduction of the Higher Old Age Living Allowance (OALA) has enabled some 570,000 elderly persons, including those with owner-occupied property or living with income-earning family members, to receive a higher monthly allowance of \$3,815. Second, enhancements to the Working Family Allowance (WFA) Scheme have substantially

increased the rates of allowances and relaxed the eligibility criteria, thus allowing a four-person household with two children which has an income not exceeding \$22,400 to receive a maximum monthly allowance of \$4,200. Third, a series of measures to improve the Comprehensive Social Security Assistance (CSSA) have been implemented, including substantially increasing the rent allowance and relaxing the eligibility for a range of special grants. As a result of the implementation of these three initiatives and other improvement measures, the total recurrent expenditure on cash welfare has increased to \$67.4 billion in 2021-22, which is 56% higher than that in 2017-18.

123. The Government's poverty alleviation strategies will focus on four areas in future. First, we will continue to lift needy elderly out of poverty by providing cash welfare including the CSSA and the OALA. We will merge the Normal and Higher OALA in the second half of next year so that the more lenient asset limits of the Normal OALA will be adopted across-the-board, and eligible applicants will receive payment at the Higher OALA rate. Second, we will continue to develop our economy, provide training and retraining, encourage employment, and provide financial support for working households with lower incomes, particularly those with children, through the WFA Scheme. Third, we will vigorously speed up PRH construction, build more transitional housing, and provide cash allowances to eligible PRH applicants who have been waiting for PRH for more than three years. Fourth, under the principle of shared responsibility, we will strengthen the MPF retirement protection. The priority task is to take forward the abolition of the "offsetting" arrangement by introducing legislative amendments in the next legislative year. We will also endeavour to lower the management cost of the MPF by implementing the eMPF Platform at full steam, and put in place the measure of the Government paying MPF contributions for low-income workers. Furthermore, we will further explore ways to better encourage the public to convert their one-off assets under the MPF into an annuity which they can receive on a regular basis after retirement, so as to provide a steady income for the elderly.

#### Elderly and Rehabilitation Services

124. Apart from welfare measures in the form of cash subsidies, the current-term Government has substantially increased the recurrent expenditure on elderly services by 85% and that on rehabilitation services by 66%. Notwithstanding this, the demand for subsidised residential care services has exceeded the supply due to an ageing population. We must boost the short, medium and long-term supply of residential care services through a multi-pronged approach, including buying more places from private residential care homes, requiring private developers through conditions in suitable land sale projects to build specified welfare facilities, developing welfare facilities on Government sites, and in respect of suitable public housing projects in future, setting aside premises equivalent to about 5% of the total domestic gross floor area for welfare purposes.

125. Meanwhile, we will continue to increase the service places for day care and home care services to enable the elderly and persons with disabilities to age in place and live with their families. To facilitate our elderly people to retire in the Mainland, the Government will explore the extension of the

Residential Care Services Scheme in Guangdong to cover other eligible residential care homes for the elderly in Mainland cities of the GBA, and the relaxation of the one-year continuous residence in Hong Kong requirement regarding applications for the OALA and the Old Age Allowance.

#### Pro-child

126. We have successively implemented a number of measures to strengthen child care services, which include the incorporation of the planning ratios for aided child care services into the Hong Kong Planning Standards and Guidelines, the provision of more child care service places, the introduction of the Child Care Centre Parent Subsidy, and the regularisation of measures to improve the Fee-Waiving Subsidy Scheme for After School Care Programme. In the year ahead, our pro-child efforts will focus on two areas. First, we must take action immediately to prevent child abuse tragedies from happening again. Upon consultation with stakeholders, we are formulating a legislative proposal to provide for a mandatory reporting mechanism on child abuse cases. Training for practitioners in the relevant professions to identify child abuse cases will be enhanced at the same time. Our target is to introduce the relevant bill into the next-term LegCo for scrutiny as soon as possible. Second, we will further increase the number of places of the On-site Pre-school Rehabilitation Services from 9,000 this year to 10,000 in the 2022/23 school year. With the gradual increase of service places, the policy objective of "zero waiting" time could be achieved in the foreseeable future.

#### Women Affairs

127. The current-term Government has implemented a number of measures to promote women's development. These measures include extending statutory maternity leave to 14 weeks, strengthening child care services, providing more baby care rooms in government premises, and amending legislation to make discrimination against and harassment of breastfeeding illegal. I am also pleased to see that our efforts in promoting women's participation in public affairs in my term of office are gradually bearing fruit. The percentage of female members in advisory and statutory bodies (ASBs) has reached 35% in June this year, meeting the target set in earlier years.

#### Strengthening Support for Ethnic Minorities

128. The Government places great emphasis on creating an equitable and caring society for our culturally diverse groups. The current-term Government has implemented around 30 measures to enhance support for ethnic minorities, covering the areas of education, employment support, healthcare, social welfare and social inclusion. As a next step, the Government will set an example by taking the lead in providing ethnic minorities with more employment opportunities.

#### Labour Welfare

129. The current-term Government has made all-out efforts to respond to the long-standing demands of the labour sector. We have extended statutory

maternity leave to 14 weeks, with the Government subsidising the additional four weeks of maternity leave pay. From next year onwards, we will also increase progressively the number of statutory holidays to 17 days to bring them on par with general holidays. We have acted resolutely to abolish the "offsetting" arrangement under the MPF system and are going to introduce the relevant bill into the LegCo in the next legislative year. We also attach great importance to occupational safety and health. We are preparing to raise the relevant penalties through legislative amendment. Moreover, we will launch a Pilot Rehabilitation Programme for Employees Injured at Work next year to help injured employees recover and return to work early.

#### Public Healthcare System

130. With our anti-epidemic efforts sustained over the past 21 months, all confirmed COVID-19 patients have received timely and proper treatment in hospitals. This is an extraordinary achievement which demonstrates the remarkable efficiency, professionalism and high adaptability of the healthcare system in Hong Kong. That said, there are still inadequacies in our healthcare system. We need to make improvements in multiple aspects in order to tackle the challenges posed to our healthcare services by an ageing population. Among these, there is a pressing need to vigorously promote the development of primary healthcare services and foster medical-social collaboration.

131. I have advocated, as early as in my 2017 Policy Address, the setting up of District Health Centres (DHCs) with a brand new operation mode to promote primary healthcare to relieve the pressure on the HA. After years of hard work, we have and are going to set up DHCs in Kwai Tsing, Sham Shui Po, Wong Tai Sin, Tuen Mun, Southern District and Yuen Long, and DHC Expresses have also been set up in another 11 districts. In parallel, the FHB has proceeded with a comprehensive review on the planning of primary healthcare services and governance framework to formulate a blueprint for the sustainable development of primary healthcare services in Hong Kong. Enhancement of medical-social collaboration will be a crucial part of the review.

#### Public Health Strategy

132. The COVID-19 pandemic has presented exceptional challenges to public health authorities around the world. Hong Kong is no exception. We will take stock of the progress made over the past 21 months and consolidate our experience in combating the epidemic. We will also consider strengthening the core functions of the DH in formulating and implementing public health strategies, as well as monitoring and facilitating the development of health technology and the research and development of drug, so as to enhance its capability to cater for the future development of society and public health.

#### Healthcare Manpower

133. The Government has been adopting a multi-pronged approach to enhance healthcare manpower, including increasing continuously the local healthcare training places offered by the University Grants Committee (UGC)-funded universities and self-financing institutions, and admitting non-locally

trained healthcare professionals, with a view to supporting the development of various healthcare services.

134. The healthcare system in Hong Kong is renowned for its quality and reliability. Nevertheless, just like other advanced economies, our healthcare system is facing many challenges, including an ageing population, increasing number of diseases triggered by lifestyle and rising public expectations towards healthcare services. To cope with these challenges, sufficient healthcare manpower is a must. While the number of locally trained places for healthcare professionals will be increased, the LegCo has finished the scrutiny of the relevant amendment bill to enable qualified non-locally trained doctors to practise in Hong Kong, thereby increasing our overall manpower supply of doctors.

135. In addition, we have to strengthen the roles of other healthcare professionals in the local healthcare system, especially in the primary healthcare setting. The FHB will follow up with the statutory Boards and Councils of various healthcare professions on the recommendations in the Report of the Strategic Review on Healthcare Manpower Planning and Professional Development promulgated in 2017, including proposing legislative amendments to allow patients to have direct access to healthcare professional services (e.g. physiotherapy and occupational therapy) without a doctor's referral so as to avoid delay in treatment. Furthermore, to ensure the professional competency of healthcare personnel, we will legislate to make continuing professional education and/or continuing professional development a mandatory requirement for supplementary medical professionals under the relevant ordinance, as well as nurses and dentists. Drawing on the experience in implementing the ongoing voluntary Accredited Registers Scheme for Healthcare Professions, the FHB will also explore the feasibility of introducing a statutory registration regime for those healthcare professionals who are currently not subject to any statutory registration requirements, such as clinical psychologists, speech therapists and dietitians, with a view to protecting public interest.

#### Chinese Medicine

136. Having affirmed the positioning of Chinese medicine in the development of medical services in Hong Kong, the Government has rolled out various measures, including the construction of the Chinese Medicine Hospital and the Government Chinese Medicines Testing Institute, the provision of Government-subsidised out-patient services and integrated Chinese-Western medicine in-patient services, and the establishment of the Chinese Medicine Development Fund. To promote the long-term development of the Chinese medicine sector, the Government will explore empowering Chinese medicine practitioners to prescribe diagnostic imaging (such as X-ray) and laboratory tests for their patients.

(To be continued.)