

2018-19 HKSAR Government Budget

Enhancing Liveability

Healthcare

The Government is conducting a comprehensive review of the planning for primary healthcare services with a view to drawing up a blueprint. **The first district health centre will be set up in Kwai Tsing District in the third quarter of next year, after which we will progressively set up such centres in all 18 districts.** Provision of community healthcare services can raise public awareness of personal health management, enhance disease prevention and strengthen medical and rehabilitation services in the community, thereby reducing unwarranted use of hospital services. The Government will set aside necessary resources to fully support this initiative.

The Government will provide about \$54 million to launch a three-year project **for more NGOs to provide free oral check-ups, dental treatments and oral health education for adults with intellectual disability.** We will also increase the funding for the Prince Philip Dental Hospital to provide special care training for participating dentists and dental surgery assistants. The Government have asked the departments concerned to improve existing dental care services for the elderly.

The accumulation limit of Elderly Health Care Vouchers will be raised from \$4,000 to \$5,000 in 2018 to allow greater flexibility to users. In 2018-19, the Government will provide, on a one-off basis, an additional \$1,000 worth of vouchers to eligible elderly persons, which will involve an expenditure of about \$796 million. Elderly Health Care Vouchers can be used on services provided by medical practitioners, dentists and Chinese medicine practitioners in the non-public sector.

Nurturing Talent

Continuing Education

To encourage members of the public to pursue self-enhancement, the Government will **raise the subsidy ceiling of the Continuing Education Fund (CEF) from \$10,000 to \$20,000 per applicant.** Those who once opened a CEF account may also benefit from this initiative. In parallel, we will extend the upper age limit for CEF applicants to 70, **lift the restrictions on the validity period and the number of claims,** and expand the scope of the CEF to include all courses in the Qualifications Register. The Government will further inject an additional \$8.5 billion into the CEF. It is expected that a total of about 610 000 recipients will benefit from the enhancements.

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Caring and Sharing

Elderly Services

Last October's Policy Address proposed an array of measures to **improve elderly services**, involving a total recurrent provision of about \$1,263 million and non-recurrent expenditure of about \$2,229 million. These measures include:

- (a) increasing the number of vouchers under the Pilot Scheme on Community Care Service Voucher for the Elderly;
- (b) setting up the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care;
- (c) providing professional outreach services and visiting medical practitioner services for residents in private residential care homes for the elderly and residential care homes for persons with disabilities (RCHDs); and
- (d) increasing the salaries of front-line care staff of subsidised elderly service units.

Furthermore, the Government will make an additional provision of about \$63 million to **provide speech therapy services for elderly service units** which will benefit some 22 000 elderly persons **with swallowing difficulties or speech impairment**.

Rehabilitation Services

Last year, the Government announced **the provision of trust services for parents whose children have special needs**. The Government will allocate \$50 million to set up a dedicated office for this purpose. Moreover, The Government will make an additional annual provision of \$660 million to **improve the rehabilitation services** through various measures, including:

- (a) increasing 2 469 subvented rehabilitation service places and purchasing an additional 500 private RCHD places;
- (b) providing speech therapy services in hostels for moderately mentally handicapped persons, hostels for severely mentally handicapped persons, hostels for severely physically handicapped persons with mental handicap and care and attention homes for severely disabled persons;
- (c) providing additional places under the Extended Care Programme and Work Extension Programme;
- (d) providing clinical psychological service to strengthen support for ex-mentally ill persons and step up community education for early prevention of mental illness, as well as enhancing support for visually impaired persons, children of hearing impaired persons and children of ex-mentally ill persons;
- (e) strengthening the professional support provided by medical social workers in the Child Assessment Centres of the DH and the general and psychiatric hospitals of the HA;

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- (f) regularising the Pilot Project on Strengthening Support for Persons with Autism and their Parents/Carers; and
- (g) increasing the number of parents resource centres to support children with disabilities or special needs and their parents or carers.

Supporting the Disadvantaged and Caring for the Young

The Government will allocate an additional annual provision of some \$92 million to **strengthen the manpower for residential child care services**, and will make use of the Lotteries Fund to improve the environment of small group homes. The Government will also set up five centres for separated or divorced families, and will strengthen the manpower of Integrated Family Service Centres and Family and Child Protective Services Units of the Social Welfare Department (SWD) to enable early identification and more effective intervention for families at risk of separation or divorce. The additional recurrent provision involved will be around \$56 million.

In recent months, it is sad to see several child abuse cases. The Government will allocate some \$504 million from the Lotteries Fund to launch a three-year pilot scheme to **provide social work services in phases for about 150 000 children and their families in all aided child care centres, kindergartens and kindergarten-cum-child care centres**. Moreover, from the 2018/19 school year, more resources will be provided for public sector primary schools to encourage them to strengthen and enhance their social work and counselling services according to school-based circumstances, with a view to ultimately achieving the target of "one school social worker for each school". Besides, we will improve the provision of school social workers in special schools. The Government will strengthen the manpower of SWD's Family and Child Protective Services Units, and the workforce of NGOs supporting the Educational Programme on Stopping Domestic Violence. The recurrent expenditure involved will amount to some \$43 million.

Reducing Tax Burdens on Individuals

We are working towards the implementation of the two-tiered profits tax rates system. To **alleviate the tax burden on salary earners**, the Government propose to implement the following measures starting from the year of assessment 2018-19:

- (a) widening the tax bands for salaries tax from the current \$45,000 to \$50,000, increasing the number of tax bands from four to five, and adjusting the marginal tax rates to 2 per cent, 6 per cent, 10 per cent, 14 per cent and 17 per cent respectively. These measures will reduce the tax burden of 1.34 million taxpayers and reduce tax revenue by \$4.09 billion a year;
- (b) **increasing the basic and additional child allowances** from the current \$100,000 to \$120,000. This will benefit 335 000 taxpayers and reduce tax revenue by \$1.31 billion a year;
- (c) **increasing the allowances for maintaining a dependent parent or grandparent**. This will benefit about 607 000 taxpayers and reduce tax revenue by about \$580 million a year. The Government will make the following three adjustments:
 - ▷ increasing the allowance for maintaining a dependent parent or grandparent aged 60 or above from the current \$46,000 to \$50,000. The same increase applies to the additional allowance for taxpayers residing with parents or grandparents continuously throughout the year;

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- ▷ increasing the allowance for maintaining a dependent parent or grandparent aged between 55 and 59 from the current \$23,000 to \$25,000. The same increase applies to the additional allowance for taxpayers residing with parents or grandparents continuously throughout the year; and
 - ▷ raising the deduction ceiling for elderly residential care expenses from the current \$92,000 to \$100,000 for taxpayers whose parents or grandparents are admitted to residential care homes.
- (d) **introducing a personal disability allowance for eligible taxpayers**, at a rate on par with the current disabled dependent allowance of \$75,000. This will reduce tax revenue by about \$450 million a year.

Sharing Fruits of Success

Having regard to our substantial fiscal surplus this year, the Government will introduce the following measures to share the fruits of our economic success with the community:

- (a) **reducing salaries tax and tax under personal assessment** for 2017-18 by 75 per cent, subject to a ceiling of \$30,000. The reduction will be reflected in the final tax payable for 2017-18. This will benefit 1.88 million taxpayers and reduce tax revenue by \$22.6 billion;
- (b) reducing profits tax for 2017-18 by 75 per cent, subject to a ceiling of \$30,000. The reduction will be reflected in the final tax payable for 2017-18. This will benefit 142 000 taxpayers and reduce tax revenue by \$2.9 billion;
- (c) **waiving rates** for four quarters of 2018-19, subject to a ceiling of \$2,500 per quarter for each rateable property. This proposal is estimated to benefit 3.25 million properties and reduce government revenue by \$17.8 billion;
- (d) **providing an extra allowance to social security recipients, equal to two months of the standard rate Comprehensive Social Security Assistance (CSSA) payments, Old Age Allowance, OALA or Disability Allowance.** This will involve an additional expenditure of about \$7 billion. Similar arrangements will apply to recipients of Low-income Working Family Allowance and Work Incentive Transport Subsidy, involving an additional expenditure of about \$379 million. Moreover, the Government will invite the CCF to consider providing short-term relief for low-income households not living in public housing and not receiving CSSA (commonly known as the "N have-nots households");
- (e) **providing a one-off grant of \$2,000 to each student in need to support learning**, involving an expenditure of about \$740 million; and
- (f) **paying the examination fees for candidates sitting for the 2019 Hong Kong Diploma of Secondary Education Examination**, involving an expenditure of about \$180 million.

Let us pray for Government administration so policies will bless the needy!

May God rule and reign in HK!

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