

2016-17 Budget

(1) The Themes

The theme of the 2016-17 Budget is the promotion of innovation and exploration of new markets in the new global economic order.

(2) Overview

1. Key Figures

	2015-16 Revised Estimate \$ billion	2016-17 Estimate \$ billion	Increase/ Decrease
Operating expenditure	339.3	376.8	11.1%
- of which, recurrent expenditure	325.7	347.5	6.7%
Capital expenditure	87.7	110.1	25.5%
- of which, capital works expenditure	73.8	78.5	6.4%
Total expenditure	427.0	486.9	14.0%
Total revenue	457.5	498.3	8.9%
Consolidated surplus	30.5	11.4	-62.7%

2. Nominal Gross Domestic Product (GDP) growth in 2016 is estimated at 2.5% to 3.5%.

3. The comparison of total government expenditure with nominal GDP growth from 1997-98 and 2011-12 to 2016-17 is as follows –

	2016-17 versus	
	1997-98 %	2011-12 %
Total government expenditure		
- cumulative growth	150.5%	33.7%
Nominal GDP		
- cumulative growth	80.3%	27.9%

4. It is estimated that the 2016-17 Budget would have a stimulus effect of 1.1% on the growth of GDP.

(3) Recurrent Expenditure

5. Recurrent government expenditure in 2016-17 is \$347.5 billion, higher than the 2015-16 revised estimate by 6.7% or \$21.8 billion. When compared with 1997-98 and 2011-12, the increases are –

	2016-17 versus	
	1997-98 %	2011-12 %
Total recurrent government expenditure - cumulative growth	132.6%	43.3%

6. The continued increase in recurrent expenditure seeks to provide the full range of new and existing services, reflecting Government’s long term commitment towards the development and well-being of the community.
7. Education, Social Welfare and Health account for nearly 60% of recurrent government expenditure. The increase in recurrent expenditure for these three policy area groups is as follows –

	2014-15 Actual \$ billion	2015-16 Revised Estimate \$ billion	2016-17		
			Estimate \$ billion	versus 2015-16 %	versus 2011-12 %
Education	67.8	72.5	74.7	+3.1	+34.5
Social Welfare	54.3	58.4	66.2	+13.4	+64.0
Health	54.1	56.4	57.3	+1.5	+38.1
Total	176.2	187.3	198.2	+5.8	+44.3

For details of the recurrent and other expenditure of the above three policy area groups, please see Appendices 1 to 3.

(4) Capital Works Expenditure

8. It has all along been Government's commitment to invest in capital works projects, which will set the foundation for Hong Kong's social and economic development, enhance our competitiveness, as well as improve our quality of life.
9. By end March 2016, the estimated total outstanding commitment for on-going capital works projects will be \$296.7 billion.
10. The estimated expenditure for 2016-17 is \$78.5 billion, 6.4% higher than the revised estimate of \$73.8 billion for 2015-16. With many major projects at their construction peaks, the estimated annual capital works expenditure for the next few years will continue to stay at a high level. We are, however, concerned about the slow progress of deliberation in LegCo, resulting in a mounting backlog of funding proposals and delayed commencement of livelihood-related projects.
11. Apart from strategic infrastructure projects (for example, Tseung Kwan O-Lam Tin Tunnel and the Central Kowloon Route) and land-supply initiatives (for example, pre-construction works for Tung Chung New Town Extension and infrastructure works at Queen's Hill), we also intend to implement the following projects which are closely linked with our everyday lives –
 - (a) on **healthcare**, we have earmarked \$200 billion for various hospital and community health centre projects in the coming decade that will bring substantial improvement to our medical infrastructure. In the current legislative session, we plan to submit the expansion of Haven of Hope Hospital, part of the works for redevelopment of Kwong Wah Hospital and Kwai Chung Hospital, and the extension of the operating theatre block for Tuen Mun Hospital to the FC for funding approval;
 - (b) on **sports, recreation and district facilities**, the planned funding proposals to be submitted to the FC in the current session include the construction of sports centres and relevant facilities in Kwun Tong, Sham Shui Po and Tai Po, the remaining section of the cycle tracks between Tuen Mun and Sheung Shui, as well as 16 District Signature Projects championed by District Councils; and
 - (c) on **schools**, the planned funding proposals to be submitted to the FC in the current session include three new school projects and a school extension and conversion project.

(5) Key Expenditure and Revenue proposals in the 2016-17 Budget

Proposal	Estimated Annual/ Total Amount \$m	Beneficiaries
I. Policy Address Initiatives		
A. Recurrent and time-limited recurrent		
*1. Implement free quality kindergarten education policy from the 2017/18 school year (full year effect to be reflected as from 2017-18)	6,700	Kindergarten students, generally aged 3 to 6, and their families
*2. Enhance poverty alleviation measures, including the launching of the Low Income Working Family Allowance (LIFA) Scheme	2,900	200 000 low-income families benefitting about 700 000 recipients including 170 000 eligible youngsters
3. Enhance support services for the elderly, including mainly –		
*(a) Provide additional subsidised residential and day care places for the elderly and enhancement of the service level; and	163	Over 2 200 elderly persons and their families
^Ω (b) Strengthen service monitoring of residential care homes for the elderly and prepare for implementation of the Pilot Scheme on Residential Care Service Voucher for the Elderly	934	3 000 elderly using vouchers

* Recurrent measures; amounts shown are the annual provisions.

Ω Time-limited recurrent measures; amounts shown are the totals.

	Proposal	Estimated Annual/ Total Amount \$m	Beneficiaries
4.	Review the strategy of handling non-refoulement claims –		Non-refoulement claimants
	Ω(a) Conduct a comprehensive review of the strategy of handling non-refoulement claims, and expedite processing of non-refoulement claims and appeals; and	584	
	*(b) Provide humanitarian assistance-in-kind for non-refoulement claimants	830	
5.	Implement Belt and Road initiatives –		Various sectors
	*(a) Establish new overseas Economic and Trade Offices in Jakarta and Seoul, pursue Free Trade Agreements and Investment Promotion and Protection Agreements, engage consultancy services, and enhance investment promotion activities; and	75	
	Ω(b) Set up a Belt and Road Office to take forward related studies and coordination work and a dedicated office to develop a Trade Single Window, continue development of the Hong Kong Authorized Economic Operator Programme, continue work on Air Services Agreements, promote the Free Trade Agreement Transshipment Facilitation Scheme and promote visits by senior officials	152	

Ω Time-limited recurrent measures; amounts shown are the totals.

* Recurrent measures; amounts shown are the annual provisions.

Proposal	Estimated Annual/ Total Amount \$m	Beneficiaries
*6. Enhance support services for the disadvantaged, including additional child assessment and training for pre-school children with special education needs, increased training, day care and residential care places for the disabled as well as on-site medical services	180	Over 20 000 persons with disabilities and their families as well as all children that may require assessment
Sub-total	12,518	
B. Non-recurrent		
7. Earmark \$2 billion for encouraging University Grants Committee-funded institutions to carry out more mid-stream applied research projects	2,000	UGC-funded institutions and various sectors
8. Set up a \$2 billion Innovation and Technology Venture Fund for co-investing with private venture capital funds on a matching basis	2,000	Technology start-ups and related sectors
9. Inject \$1 billion into the HKSARG Scholarship Fund for offering around 100 additional scholarships by phases under the Targeted Scholarship Scheme to attract more students from the Belt and Road countries to study in Hong Kong	1,000	100 students from the Belt and Road countries per academic year
10. Set up an \$800 million Gifted Education Fund for nurturing more gifted students in an effort to enrich the talent pool and enhance the competitiveness of Hong Kong	800	Gifted students in primary and secondary schools

* Recurrent measures; amounts shown are the annual provisions.

	Proposal	Estimated Annual/ Total Amount \$m	Beneficiaries
11.	Set up a \$500 million Innovation and Technology Fund for Better Living to finance projects that make use of innovation and technology to improve our daily life	500	General public
12.	Earmark \$500 million for conservation of built heritage	100 [^]	General public and stakeholders
	[^] \$100 million additional operating expenditure for supporting public education and community participation, as well as publicity and academic research; whilst the remaining \$400 million is additional capital works funding earmarked for built conservation projects.		
13.	Allocate \$200 million to support the professional services sectors in enhancing exchanges and co-operation with the Belt and Road countries and other regions outside Hong Kong (including Mainland China)	200	Professional service sectors
14.	Innovation and Technology Fund to earmark over \$100 million a year to support science research projects	100	I&T industries and various sectors
15.	Provide subsidy for franchised bus companies to install seats at over 1 000 bus stops and real-time bus arrival information display panels	88	Passengers of franchised buses, particularly the elderly

	Proposal	Estimated Annual/ Total Amount \$m	Beneficiaries
16.	Environment and Conservation Fund to earmark \$50 million to fund community involvement programmes to prepare for the municipal waste charging scheme	50	Various sectors
	Sub-total	6,838	
<i>C.</i>	<i>Others</i>		
17.	Earmark \$200 billion for the ten-year blueprint for hospital development	200,000	General public
	Total funding provision for Policy Address initiatives	219,356	

	Proposal	Estimated Annual/Total Amount \$m	Beneficiaries
II.	Budget Proposals		
A.	<i>Tax and Short-term Relief Measures</i>		
18.	Reduce 2015-16 salaries tax and tax under personal assessment by 75% subject to a ceiling of \$20,000	16,950	1.96 million taxpayers
19.	Waive rates for four quarters of 2016-17 subject to a ceiling of \$1,000 per quarter for each rateable property [@]	10,615	3.17 million properties liable to rates
*20.	As from 2016-17, increase allowances under salaries tax and tax under personal assessment – <ul style="list-style-type: none"> • Basic and single parent: from \$120,000 to \$132,000; • Married person: from \$240,000 to \$264,000 	2,910	1.93 million taxpayers
#21.	Provide one extra month of standard rate Comprehensive Social Security Assistance payment, Old Age Living Allowance, Old Age Allowance and Disability Allowance	2,820	1.18 million recipients
22.	Waive 2016-17 business registration fees	2,545	1.3 million business operators
23.	Reduce 2015-16 profits tax by 75% subject to a ceiling of \$20,000	1,920	130 000 taxpayers

@ CSSA recipients who do not have to bear rates will not obtain any pecuniary advantage from the rates waiver.

* Recurrent measures; amounts shown are annual provisions.

One-off measure excluded for the purpose of determining the OPEX guidelines for 2017-18 and after.

	Proposal	Estimated Annual/Total Amount \$m	Beneficiaries
*24.	As from 2016-17, increase basic and additional allowances / deduction ceiling for maintaining dependent parent / grandparent under salaries tax and tax under personal assessment – <ul style="list-style-type: none"> • Aged 60 or above: from \$40,000 to \$46,000; • Aged 55 to 59: from \$20,000 to \$23,000; • Deduction ceiling for elderly residential care expenses: from \$80,000 to \$92,000 	860	600 000 taxpayers
25.	Waive the licence fees for restaurants and hawkers and fees for restricted food permits for one year	115	27 000 restaurants and operators
26.	Waive the licence fees for hotels and guesthouses for one year	14	2 000 hotels and guesthouses
27.	Waive the licence fees for travel agents for one year	11	1 800 travel agents
28.	Extend the validity period of Electricity Charges Subsidiary Scheme for two more years from 30 June 2016 to 30 June 2018 <i>[Total unused subsidiary can be covered by unexpended balance of the commitment approved]</i>	-	188 000 eligible households
	Sub-total	38,760	
B. Other budget measures			
Ω29.	Introduce a pilot Technology Voucher Programme	500	Small and medium enterprises (SMEs)

* Recurrent measures; amounts shown are annual provisions.

Ω Time-limited recurrent measures; amounts shown are the totals.

	Proposal	Estimated Annual/Total Amount \$m	Beneficiaries
*30.	Strengthen support for promotion of innovation and technology development in Hong Kong, through increasing cash rebate level for R&D, enhancing the Internship Programme and expanding the Public Sector Trial Scheme	362	I&T industries and various other sectors
31.	Launch jointly with the tourism industry additional measures to promote tourism	242	Tourism industry and related sectors
32.	Implement a pilot scheme to provide tuition fee subsidy for three cohorts of students admitted to designated professional part-time programmes in the disciplines of construction, engineering and technology	200	5 600 students as well as engineering, construction and technology sectors
33.	Install field detection facilities for traffic incident management and real-time traffic information dissemination	200	General public
34.	Promote Financial Technologies (Fintech) in Hong Kong	72	Financial services and related sectors
35.	Subsidise expenses incurred by Hong Kong-produced Cantonese movies for distribution and publicity conducted in the Mainland	20	Film industry and related sectors
36.	Extend the application period for Special Concessionary Measures under the SME Financing Guarantee Scheme to 28 February 2017	-	SMEs
	Sub-total	1,596	
	Total funding provision for budget measures	40,356	
	Grand Total	259,712	

* Recurrent measures; amounts shown are annual provisions.

(6) Medium Range Forecast

(\$ billion)	2015-16 Rev Est	2016-17	2017-18	2018-19	2019-20	2020-21
Operating Surplus	48.3	21.4	42.5	5.0	22.9	45.2
Capital (Deficit)	(17.8)	(10.0)	(28.7)	(34.0)	(43.9)	(42.5)
Consolidated surplus (deficit) after repayment of bonds and notes	30.5	11.4	13.8	(29.0)	(22.5)^φ	2.7

Fiscal reserves at 31 March	859.0	870.4	884.2	855.2	832.7	835.4
In terms of no. of months of government expenditure	24	21	22	19	18	18
In terms of % of GDP	35.8%	35.2%	34.2%	31.6%	29.4%	28.3%
Being balance held in –						
General Revenue Account	522.8	518.6				
Funds with designated use						
Capital Works Reserve Fund	60.2	69.9				
Capital Investment Fund	2.6	1.8				
Civil Service Pension Reserve Fund	27.2	31.9				
Disaster Relief Fund	- ^Δ	0.1				
Innovation and Technology Fund	- ^Δ	3.9				
Loan Fund	4.6	2.4				
Lotteries Fund	21.9	22.1				
Land Fund	219.7	219.7				
	859.0	870.4				

φ After repayment of bonds and notes of \$1.5 billion in 2019-20.

Δ Less than \$0.1 billion.

Major underlying assumptions of the Medium Range Forecast are as follows –

1. During the four-year period from 2017 to 2020, the trend growth rate of the economy is 3% per annum in real terms and 4.5% in nominal terms while the GDP deflator will increase at a trend rate of 1.5% per annum.
2. Income from land premium for 2017-18 and onwards is 2.7% of GDP, being the 30-year historical average.
3. Cash flow requirement of approved capital projects and operating expenditure after completion of the projects is included.
4. A total of \$30 billion has been earmarked for supporting healthcare reform, with \$10 billion provided in 2016-17 and \$20 billion in 2018-19.
5. A total of \$50 billion has been earmarked for better retirement protection for the elderly in need, with \$10 billion provided in 2017-18 and \$20 billion each provided in 2018-19 and 2019-20.
6. Investment income excludes investment income of the Future Fund which has been placed with the Exchange Fund for long-term investment for an initial period of ten years.

Appendices – Major Policy Area Group Expenditure

1. Education
2. Social Welfare
3. Health

Education

1. Estimated total expenditure on education amounts to \$84.0 billion in 2016-17, which is 6.2% or \$4.9 billion higher than the 2015-16 revised estimate.
2. Estimated recurrent expenditure on education is \$74.7 billion in 2016-17 (3.0% of nominal GDP in 2016), accounting for 21.5% of government recurrent expenditure and representing a 3.1% increase over the 2015-16 revised estimate.
3. The key initiatives and the additional resource provisions are highlighted below –

Recurrent expenditure initiatives (figures reflect additional expenditure)

- (a) About \$611 million is additional subvention (existing \$13.3 billion) for aided primary schools to cope with increase in student population and the progressive increase in the ratio of graduate teacher posts in public sector primary schools from 50% in 2014/15 school year to 55%, 60% and 65% in the 2015/16, 2016/17 and 2017/18 school years respectively;
- (b) About \$366 million is additional subvention (existing \$17.5 billion) for University Grants Committee-funded institutions to cope with the progressive increase in senior year undergraduate places for enabling 5 000 meritorious sub-degree graduates to articulate to subsidized degree programmes each year by the 2018/19 academic year, as well as increase in the number of publicly-funded degree places in medicine, dentistry and other healthcare disciplines by 50, 20 and 68 respectively in the 2016/17 to 2018/19 triennium;
- (c) About \$218 million is for the continued implementation of the Pre-primary Education Voucher Scheme in the 2016/17 school year, including raising the rate of voucher subsidy from \$22,510 per student per annum in the 2015/16 school year to \$23,230 per student per annum in the 2016/17 school year, in accordance with the established adjustment mechanism following the year-on-year rate of change in Composite Consumer Price Index; and
- (d) About \$201 million is for the Student Finance Office of the Working Family and Student Financial Assistance Agency to provide appropriate financial assistance to eligible students.

Non-recurrent and capital expenditure initiatives

- (e) \$1 billion is for injection into the HKSAR Government Scholarship Fund, using investment income to provide about 100 additional offers per year in phases, under the Targeted Scholarship Scheme so as to attract outstanding students from Belt and Road countries to pursue post-secondary studies in Hong Kong;
- (f) \$800 million is for setting up a Gifted Education Fund, using investment income to nurture more gifted students in an effort to enrich the talent pool and enhance the competitiveness of Hong Kong;
- (g) \$200 million is for implementing the Pilot Programme on Promoting Interflows between Sister Schools in Hong Kong and the Mainland; and
- (h) \$144 million is for extending the Vocational Training Council's Pilot Training and Support Scheme to benefit two more cohorts of 2 000 students in total.

Social Welfare

1. Estimated total expenditure on social welfare amounts to \$72.4 billion in 2016-17, which is 11.4% or \$7.4 billion higher than the 2015-16 revised estimate.
2. Estimated recurrent expenditure on social welfare in 2016-17 is \$66.2 billion (2.7% of nominal GDP in 2016), accounting for 19.0% of recurrent government expenditure and representing a 13.4% increase over the 2015-16 revised estimate. The expenditure mainly includes about \$42 billion for the Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance Scheme; and for children with special needs, rehabilitation services and elderly services.
3. The key initiatives and the additional resource provisions are highlighted below –

Recurrent expenditure initiatives (figures reflect additional full-year expenditure)

- (a) \$180 million is for supporting children with special needs and persons with disabilities, including –
 - (i) \$23 million for supporting children with special needs –
 - \$13 million for setting up an additional Child Assessment Centre under the Department of Health; and
 - \$10 million for increasing the training hours for children wait-listed for special child care centres, benefiting about 550 children each year.
 - (ii) Over \$157 million for supporting persons with disabilities, including –
 - \$115 million for increasing 960 places under various pre-school, day training and residential care services for persons with disabilities;
 - \$14 million for increasing 150 places under the Bought Place Scheme for private residential care homes for persons with disabilities;

Appendix 2 (Cont'd)

- \$9 million for increasing subvention for the Visiting Medical Practitioner Scheme to enhance the primary medical services for 12 300 residents in residential care homes for persons with disabilities; and
 - \$19 million for providing additional manpower to enhance Rehabus service and centre bus services for Day Activity Centres cum Hostels for Severely Mentally Handicapped Persons and Community Rehabilitation Day Centres. It is estimated that the number of Rehabus passenger trips will increase by about 30 000, following the addition of nine rehabuses and that the additional 73 centre buses will benefit about 6 300 persons with disabilities.
- (b) \$163 million is for enhancing elderly services, mainly including –
- (i) \$17 million for increasing 168 day care places;
 - (ii) \$70 million for increasing 320 subsidised residential care places; and
 - (iii) \$70 million for converting 1 200 EA2 places under the Enhance Bought Place Scheme to higher quality EA1 places and improving services of around 530 subsidised residential care places and day care places.
- (c) \$2.9 billion recurrent expenditure is for introduction of the Low-income Working Family Allowance Scheme in 2016-17 for relieving the financial burden of non-CSSA low-income working families (especially those with children). The Scheme will accept applications from May this year and is expected to benefit around 200 000 low-income families with some 700 000 recipients in total, including 170 000 eligible children and youth.

Other expenditure

- (d) \$800 million has been earmarked for implementing the Residential Care Service Voucher for the Elderly, aiming to issue a total of 3 000 service vouchers under the pilot scheme for three years.
- (e) \$134 million has been allocated for five years for merging the Social Welfare Department's Licensing Office of Residential Care Homes for the Elderly and Licensing Office of Residential Care Homes for Persons with Disabilities and for increasing 50% manpower to strengthen inspection and monitoring of residential care homes for the elderly and those for persons with disabilities.

Appendix 2 (Cont'd)

- (f) \$1 billion has been allocated from Lotteries Fund (LF) for implementing the Pilot Scheme on Community Care Service Voucher for the Elderly. Of this, \$640 million has been earmarked for Phase 2 which will commence in the third or fourth quarter of 2016 with an increase in the number of vouchers from 1 200 to 3 000.
- (g) \$422 million has been allocated from LF for implementing a two-year Pilot Scheme on On-site Pre-school Rehabilitation Services to provide timely support for children with special needs waitlisted for pre-school rehabilitation services through 2 900 additional places for some 450 kindergartens or kindergarten-cum-child care centres. An additional recurrent provision of \$473 million has been earmarked for regularising the Scheme in 2017-18 upon completion of a review on the Pilot Scheme.

Health

1. Estimated total expenditure on health amounts to \$77.6 billion in 2016-17, which is 27.6% or \$16.8 billion higher than the 2015-16 revised estimate. This is mainly due to the provision of \$10 billion in 2016-17 for Hospital Authority (HA) to establish an endowment fund to support and enhance public-private partnership initiatives.
2. Recurrent expenditure on health is estimated at \$57.3 billion in 2016-17 (2.3% of 2016 nominal GDP), accounting for 16.5% of government recurrent expenditure and representing a 1.5% increase over the 2015-16 revised estimate.
3. The key initiatives and the additional resource provisions are highlighted below –
 - A. Recurrent expenditure initiatives
Hospital Authority (HA)
 4. In 2016-17, Government's recurrent subvention to HA amounts to \$51 billion, representing an increase of 34% over five years ago i.e. 2011-12 (\$38 billion).
 5. HA plans to spend a total of \$510 million on various measures to meet the increasing demand for hospital services and to improve the quality of clinical care. Examples of such measures and their estimated expenditure are –
 - (a) Over \$235 million for increasing a total of 231 beds in Pamela Youde Nethersole Hospital, Queen Elizabeth Hospital, Tseung Kwan O Hospital, United Christian Hospital, Prince of Wales Hospital, Alice Ho Miu Ling Nethersole Hospital, Shatin Hospital, Pok Oi Hospital, Tuen Mun Hospital and Siu Lam Hospital to enhance the capacity of inpatient services;
 - (b) \$108 million for providing additional operating theatre sessions to allay the waiting list of surgeries;
 - (c) \$51 million for strengthening the services for critical illness and chronic diseases through, for example, increasing the service capacity of echocardiogram for cardiac service, enhancing the service quota of haemodialysis for renal service, and extending the service hours of radiotherapy for cancer service;

- (d) \$38 million for widening the indications of special drugs and re-positioning of self-financed drugs as special drugs in the HA Drug Formulary for diabetes mellitus, stroke management as well as osteoporosis and breast cancer treatment to benefit around 6 700 patients per annum;
- (e) \$21 million for increasing the quota for general outpatient clinics in five Clusters (namely Hong Kong West Cluster, Kowloon East Cluster, Kowloon West Cluster, New Territories East Cluster and New Territories West Cluster) by 27 000 attendances for 2016-17 and 49 000 additional attendances per year thereafter;
- (f) \$20 million for setting up Hong Kong's fifth Joint Replacement Centre in the Duchess of Kent Children's Hospital at Sandy Bay¹ for performing 260 additional operations for 2016-17 and 350 additional operations per year thereafter;
- (g) \$19 million for strengthening the Community Geriatric Assessment Team (CGAT) service to cover more residential care homes for the elderly (RCHE) and enhancing CGAT support to improve the quality of care for terminally ill patients living in RCHEs in four clusters (namely Hong Kong West Cluster, Kowloon Central Cluster, Kowloon West Cluster and New Territories West Cluster); and
- (h) \$18 million for enhancing endoscopy service by performing additional endoscopic procedures.

Department of Health (DH)

- 6. Around \$1,030 million is for service enhancement and the following initiatives –
 - (a) \$482 million for the Elderly Health Care Voucher (EHV) Scheme to address the demand from increased number of eligible elders (from 760 000 in 2015-16 to 774 500 in 2016-17) and their take-up rate (from 80% in 2015-16 to 85% in 2016-17);
 - (b) \$381 million one-off additional allocation for settling payments deferred from 2015-16 for meeting the increase in cash flow requirement of the EHV Scheme in 2015-16;

¹ The other four existing Joint Replacement Centres are located at the Buddhist Hospital, Yan Chai Hospital, Pok Oi Hospital and Alice Ho Miu Ling Nethersole Hospital.

Appendix 3 (Cont'd)

- (c) \$36 million for enhancing seasonal flu vaccination programme by strengthening administrative support, using quadrivalent vaccines to replace trivalent vaccines and providing free vaccination to all elders aged 65 or above and persons with intellectual disability;
- (d) \$23 million for setting up a temporary testing centre for Chinese medicines;
- (e) \$20 million for launching the colorectal cancer screening pilot programme for eligible Hong Kong residents aged 61 to 70 and other supporting measures for cancer prevention and screening;
- (f) \$20 million for setting up the new Office for Regulation of Private Healthcare Facilities in DH;
- (g) \$16 million for combating public health threats from antimicrobial resistance;
- (h) \$15 million for strengthening the enforcement of the statutory smoking ban and enhancing smoking cessation services provided by NGOs;
- (i) \$12 million for setting up a temporary child assessment centre in Ngau Tau Kok;
- (j) \$8 million for strengthening the manpower support for Chinese Medicine Division of DH;
- (k) \$8 million for tackling the lead in water incident;
- (l) \$5 million for funding the legal costs arising from committee-related appeals and court proceedings of the Medical Council of Hong Kong;
- (m) \$3 million for improving the Licensing Examination of the Medical Council of Hong Kong; and
- (n) \$3 million for funding a time-limited project of providing consultancy service and support on proprietary Chinese medicine registrations to the industry.

B. Non-recurrent and capital expenditure initiatives

- 7. \$10 billion has been earmarked for HA to establish an endowment fund and make use of its investment returns for enhancing public-private partnership initiatives (out of \$50 billion earmarked for implementing healthcare reform).
- 8. \$824 million will be allocated to HA for procurement of equipment and implementation of computerisation projects in HA.