

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 17th meeting
held at the Legislative Council Chamber
on Friday, 23 May 2008, at 3:00 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Albert CHAN Wai-yip

Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG, JP
Hon KWONG Chi-kin
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Dr Hon Joseph LEE Kok-long, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon TAM Heung-man

Public officers attending:

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| Professor K C CHAN, SBS, JP | Secretary for Financial Services and the Treasury |
| Mr Stanley YING, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Miss Amy TSE, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1 |
| Mr Alfred FOK | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mrs Jessie TING JP | Deputy Secretary for Security |

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| Mrs Apollonia LIU | Principal Assistant Secretary for Security (E) |
| Mr TANG Kam-moon | Assistant Commissioner of Police (Personnel), Hong Kong Police Force |
| Mr TO Chun-wai | Assistant Commissioner of Police (Information Systems Wing) Hong Kong Police Force |
| Mr HUI Kai-ling | Chief Systems Manager (Information Technology Branch), Hong Kong Police Force |
| Mr Paul CHENG | Principal Assistant Secretary for Security (B) |
| Mr Victor LAU | Assistant Secretary for Security (B)2 |
| Mr NG Bong-loy, FSMSM | Chief Fire Officer (Headquarters) Fire Services Department |
| Mr LI Leung-ming | Senior Divisional Officer (Planning Group) Headquarters Command, Fire Services Department |
| Mr LEE Yiu-fai | Divisional Officer (Air). Headquarters Command, Fire Services Department |
| Mr Raymond H C WONG, JP | Permanent Secretary for Education |
| Mr Michael WONG, JP | Deputy Secretary for Education (1) |
| Mr Daniel CHENG | Principal Assistant Secretary for Education (Further Education) |
| Mr LI Wing | Controller, Student Financial Assistance Agency |
| Ms Shirley LAU | Principal Assistant Secretary for Financial Services and the Treasury (Treasury) |

Clerk in attendance:

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| Mrs Constance LI | Assistant Secretary General 1 |
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Staff in attendance:

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| Miss Becky YU | Chief Council Secretary (1)1 |
| Mrs Mary TANG | Senior Council Secretary (1)2 |
| Ms Alice CHEUNG | Senior Legislative Assistant (1)1 |
| Mr Frankie WOO | Legislative Assistant (1)2 |

Action

Item No. 1 - FCR(2008-09)16

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON
7 MAY 2008**

The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2008-09)13

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Hong Kong Police Force

♦ **New Subhead "Redevelopment of the Personnel Information Communal System"**

2. The Chairman informed members that the Panel on Security was consulted on the proposal at its meeting on 10 April 2008. In the absence of Mr LAU Kong-wah, Chairman of the Panel, the Chairman reported the Panel's deliberation. He said that the Panel did not object to the proposal and had requested the Administration to expedite the project. Members had also raised enquiries on how the new Personnel Information Communal System (PICS) could enhance the implementation of effective community policing strategies and meet the longer term development and succession planning of the Hong Kong Police Force (HKPF).

3. Ms Emily LAU noted that the redeveloped PICS could help enhance the professionalism and efficiency of HKPF, so as to meet the policing needs of the community as well as the development and succession planning of HKPF. Ms LAU enquired about specific improvements in these areas after implementation of the new PICS.

4. The Deputy Secretary for Security highlighted that policing services had become increasingly diversified and professional. The new PICS would have the necessary analytical and support capabilities for decision-making to identify officers with suitable competency for posting and operational deployment. The new system would facilitate the efficient matching of the skills and talents of police officers with different policing requirements, thus enabling effective deployment of officers with the relevant expertise and work experience to the various headquarters units and police districts/divisions. Moreover, with its workforce analysis and people-oriented manpower planning tools using the competency approach, the system would facilitate analysis of the professional skills, knowledge gaps and training needs of individual officers and special units in HKPF. The Assistant Commissioner of Police (Personnel), HKPF (ACP(P)) elaborated that the new system could allow management and analysis of the policing competencies of officers with reference to the prevailing crime trends and patterns in the local areas and other policing requirements. For instance, for districts or divisions with more domestic violence cases such as Yuen Long or Tin Shui Wai, the comprehensive competency-based database of the new PICS could identify those police officers with specialized skills and experience in handling domestic violence cases and conflict management and facilitate staff deployment to these police districts.

5. As regards enhancement in the training of police officers and succession planning, ACP(P) advised that the new PICS would generate reports on situations of retirement and natural wastage of officers with special skills, such as bomb disposal

skills or handling of triad activities, to enable forward planning on the training needs and succession planning for officers. He added that the existing PICS did not have the above mentioned capabilities. Job matching, development and succession planning tasks were currently performed manually, which had taken up considerable time of the management.

6. Mr James TO noted that the new PICS would cover the existing satellite systems, including the Discipline Office Automation System and the E-Junior Police Officer Annual Report Form System. He sought information on these satellite systems, and asked whether the negative aspects of an officer, such as the existence of psychological problems, and special competencies, such as language skills in dealing with ethnic minorities, or skills in handling mentally disabled people, would be recorded in the systems.

7. ACP(P) advised that the existing PICS covered only the annual reports of inspectorate officers and above, but not those of junior officers. Under the present proposal, the existing PICS together with the satellite systems would be redeveloped into a new comprehensive system. As regards the disciplinary records of police officers, he said that information on disciplinary cases of officers on which official hearings had been conducted would be recorded in the new PICS. Information on special competencies and skills would also be recorded in the new system. Moreover, information about officers' confirmed health problems would be recorded in the database when the case had been concluded by medical boards. For non-confirmed health problems or aspects of officers which warranted supervisors' attention, instead of recording the information in PICS, the information would be passed to the supervisors concerned to facilitate necessary follow-up actions, such as the provision of counselling services, or redeployment of duties taking into account the health status of the officer.

8. Mr James TO considered it appropriate to include information on the health status of police officers in the new PICS to facilitate staff deployment and monitoring of the situation by their supervisors.

9. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2008-09)14

HEAD 45 – FIRE SERVICES DEPARTMENT

◆ Subhead 603 Plant, vehicles and equipment

10. The Chairman informed members that the Panel on Security was consulted, by way of circulation of an information paper, on the proposal about creating a new commitment of \$16.5 million for procuring a replacement Crash Fire Tender (CFT) to serve the Hong Kong International Airport (HKIA).

11. Ms Emily LAU sought information on the utilization of the existing CFT and enhanced features of the new CFT. The Divisional Officer (Air), Headquarters Command, Fire Services Department explained the role of a CFT in a fire-fighting and rescue mission citing an aircraft accident as an example. He said that in August 1999 when a passenger aircraft made a hard landing at HKIA under stormy weather and caught fire, the existing CFT was among the first fire fighting vehicles that arrived at the scene. The CFT was instrumental to the successful evacuation of all passengers from the aircraft. He advised that the replacement CFT would be equipped with a more powerful roof foam monitor with a longer flow range of 90 metres, a dedicated engine for operating the fire pump to make speedier intervention at the fire scene, a four axles 8x8 wheel-driven chassis to allow for greater manoeuvrability in poor weather conditions and rough terrain, and a more environmental friendly Euro-III type engine.

12. Dr YEUNG Sum expressed support for the proposal, and appreciated that the replacement CFT would use a more environmental friendly Euro-III type engine.

13. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2008-09)17

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU

♦ Subhead 700 General non-recurrent

New Item "Quality Enhancement Grant Scheme"

HEAD 173 – STUDENT FINANCIAL ASSISTANCE AGENCY

♦ Subhead 228 Student financial assistance

LOAN FUND

HEAD 252 – LOANS TO SCHOOLS/TEACHERS

♦ Subhead 106 Start-up loan for post-secondary education providers

HEAD 254 – LOANS TO STUDENTS

♦ Subhead 102 Non-means-tested loan scheme

♦ Subhead 103 Means-tested loan for post-secondary students

14. The Chairman informed members that the Panel on Education discussed the report of the Phase 2 Review of the Self-financing Post-secondary Education Sector at its meetings on 14 and 28 April 2008. In the absence of Mr Jasper TSANG, Chairman of the Panel, the Chairman reported that the Panel was supportive of the recommendations of the Review which aimed to enhance quality of the self-financing post-secondary education sector and improve financial assistance to students. The Panel also supported the present proposal.

Improvement of the Financial Assistance Scheme for Post-secondary Students

15. Dr YEUNG Sum expressed support for the proposal in principle. He said that in addition to implementing the proposed improvements to the Financial

Assistance Scheme for Post-secondary Students (FASP), the Administration should also consider the suggestion put forward by Members belonging to the Democratic Party (DP) of waiving the risk adjustment factor, i.e. 1.5% of the interest rate, for loans under NLSPS, since there were few cases of non-repayment of loans and these students also had to pay higher tuition fees but likely received lower pay after graduation than students attending public-funded programmes. He noted that students pursuing self-financing post-secondary programmes were at present not eligible for means-tested loans to cover their living expenses, and they could only apply for non-means-tested loans under NLSPS at a higher interest rate. Dr YEUNG sought information on the non-repayment of loans under NLSPS in recent years.

16. The Permanent Secretary for Education (PS(Ed)) advised that students pursuing full-time locally-accredited self-financing post-secondary programmes were currently eligible for means-tested grants under FASP to cover tuition fees and academic expenses. Students however might also apply for non-means-tested loans under NLSPS to cover the living expenses, which would bear a higher interest rate. He explained that NLSPS was operated under a full cost recovery principle, and a no-gain-no-loss interest rate would be charged on the loans. As non-means-tested loans were unsecured, a 1.5% risk adjustment factor would be charged on top of the no-gain-no-loss interest rate to cover the risk of possible loss incurred by the Government due to non-repayment of the loans.

17. The Controller, Student Financial Assistance Agency (C, SFAA) supplemented that as at December 2007, the amount of outstanding loans of all defaulters under all non-means tested loans, including loans within the repayment period and loans not yet due for repayment, was close to \$400 million. The amount of interest accumulated due to the 1.5% risk adjustment factor was more than \$160 million, representing a shortfall of about \$240 million. C, SFAA said that the Administration would conduct regular reviews on the risk adjustment factor in the light of the situation of non-repayment of loans. PS(Ed) advised that the Administration would brief the Panel on Education on the outcome of the review in due course.

18. Noting that the Administration had deployed considerable resources in recovering outstanding loans, Dr YEUNG Sum considered that the Administration should review the mechanism for recovery of outstanding loans. C, SFAA responded that apart from administering various government financial assistance schemes, SFAA staff was also responsible for recovering overdue loans under the schemes. To improve the loan recovery mechanism, efforts had been made to speed up the referral of non-repayment cases to the Department of Justice for consideration of prosecution.

19. Mr HO Chun-yan considered that the Government had the responsibility to support students who lacked the financial means for pursuing post-secondary education, and the means-tested loans should be interest-free. Noting that most graduates had repaid their loans according to schedule, he opined that interests should only be charged on late repayments.

20. Ms Audrey EU considered that the provision of post-secondary education was a necessary investment for the long-term benefit of the society, and should not be evaluated only in terms of cost-effectiveness. She concurred that the means-tested loans should be interest-free, the 1.5% risk adjustment factor for non-means-tested loans should be removed, and interest should only be charged for late repayments in order to be fair to those who repaid on time. Ms EU believed that the community at large would have no objection to these measures.

21. PS(Ed) advised that means-tested loans provided to post-secondary students were interest-free in the past. The loans had become interest-bearing since 1985 at the recommendation of the Director of Audit in order to ensure proper use of public funds. While the interest rate of means-tested loans was currently pitched at 2.5% per annum, since interest was not chargeable during the study period, the rate was effectively only about 1.4% per annum for the entire loan period. PS(Ed) re-iterated the need for imposing a risk adjustment factor for non-means-tested loans to guard against possible loss by the Government. He informed members that there were cases where the students did not respond to enquiries of SFAA or simply lost contact. PS(Ed) emphasized that the Government was committed to investing in post-secondary education. For instance, about \$2,200 million (about \$1,300 million and \$900 million for grants and loans respectively) were allocated annually for various financial assistance schemes. While it was Government policy to provide financial assistance to support students pursuing post-secondary studies, it would be in the public interest for the Administration to ensure proper use of public funds.

22. Ms Emily LAU shared the views of DP Members and considered that the various financial assistance schemes should be reviewed to ensure better assistance to the students in need.

23. Mrs Selina CHOW said that Members of the Liberal Party supported enhancing financial assistance to students, as education was an investment for the benefit of the society. She called on the Administration to review the provision of financial assistance to needy students, including the need to provide two different kinds of loans (i.e. the means-tested and non-means-tested), the need for imposing a risk adjustment factor to the interest rate for non-means-tested loans if the repayment situation was generally good, and the feasibility of extending the five-year repayment period for means-tested loans as graduates usually received low income during the initial years of their employment.

24. PS(Ed) responded that the Administration had reviewed and made major improvements to the various loan schemes in 2006. The present proposal represented a further improvement to the schemes in response to recommendations of the Phase 2 Review of the Self-financing Post-secondary Education Sector. At the moment, the Administration had no further plan for conducting a comprehensive review on the financial assistance schemes. He advised that the repayment periods for both means-tested loans and non-means-tested loans (five-year and ten-year respectively) were sufficiently long, and graduates who had financial difficulties could apply for deferment of loan repayment.

25. Mr LEUNG Kwok-hung considered that the Administration should review whether interest should still be charged for loans granted to students under present-day circumstances. He pointed out that while there was limited number of university places in the past, it was the Government's target nowadays to raise the post-secondary education participation rate to 60% of secondary school graduates. Therefore, Government had a responsibility to ensure students would not be deprived of post-secondary education due to lack of means. Mr LEUNG also asked whether the Administration had conducted studies to understand why some graduates could not afford to repay the loans.

26. The Deputy Secretary for Education (DS(Ed)) advised that according to recent studies conducted by The University of Hong Kong and The Chinese University of Hong Kong, the pay level for degree graduates was about \$17,000 per month. He considered that the financial assistance schemes were fair in that the borrowers would bear the loan interest. In response to a further enquiry from Mr LEUNG Kwok-hung, PS(Ed) advised that he did not have information on the resources invested on education by the Singapore Government.

27. Mr LAU Kong-wah said that flexibility should be allowed for students who could not find employment after graduation to defer repayment of loans. C, SFAA advised that graduates who were suffering from financial hardship or severe illness, or pursuing further studies, could apply for extension of the loan repayment period. Each application would be considered on its individual merits. He further explained that the procedures for applying for deferment of loan repayment were clearly set out in the application guidelines and the repayment schedule issued by SFAA.

Support measures for enhancing the quality of post-secondary programmes

28. Mr CHEUNG Man-kwong expressed concern that the proposal to extend FASP to cover sub-degree graduates pursuing full-time locally-accredited self-financing degree or top-up degree programmes would lead to more concerns about the quality of the sub-degree programmes, self-financing degree and top-up degree programmes, and the students admitted to these programmes. He also expressed grave concern about the mechanism for quality assurance of these programmes, especially those jointly organized with overseas tertiary institutions.

29. PS(Ed) advised that institutions with self-accrediting status, e.g. University Grants Committee (UGC)-funded institutions, had established internal quality assurance mechanisms to accredit their degree programmes, while programmes operated by other institutions had to be accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications. He highlighted that the report of the Phase 2 Review of the Self-financing Post-secondary Education Sector had emphasized the importance of quality assurance for post-secondary programmes. The Administration would continue to work with institutions and quality assurance bodies to strengthen the quality assurance mechanisms for these programmes. DS(Ed) added that the Quality Assurance Council (QAC) of the UGC would monitor

the quality of the programmes offered by UGC-funded institutions, including the quality of teaching staff, facilities of the institutions, and the course structure and contents.

30. Referring to the plan of an UGC-funded institution to launch a self-financing degree programme offering 6 000 places, Mr CHEUNG Man-kwong expressed concern about the quality of the programme and the prospective students. In response to Mr Cheung's enquiry, DS(Ed) clarified that the 6 000 places were the total capacity of the institutions' two recently completed campus buildings, which would mostly be used for sub-degree courses. He stressed that the QAC would continue to assist the concerned institutions in quality assurance.

Proposed modification for the Start-up Loan Scheme

31. Noting from paragraph 11 of FCR(2008-09)17 that the Administration would identify vacant school premises suitable for operating post-secondary programmes, Ms Emily LAU enquired about the progress and sought information on the interest of institutions in bidding for such premises.

32. DS(Ed) advised that discussions held with institutions earlier had revealed that institutions currently operating in commercial buildings might find vacant school premises suitable for operating small-scale learning programmes. The Administration was finalizing the arrangements and would invite interested institutions to submit bids for vacant school premises later this year. In this connection, Ms Emily LAU requested the Administration to provide by end 2008 information on the outcome of the bidding exercise, including the number of bids received and the number of applications for land grant from institutions for construction of premises.

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33. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 5 - FCR(2008-09)18

HEAD 147 – GOVERNMENT SECRETARIAT: FINANCIAL SERVICES AND THE TREASURY BUREAU (THE TREASURY BRANCH)

◆ New Subhead "General non-recurrent"

New Item "Electricity charges subsidy for eligible residential accounts"

34. The Chairman informed members that the Panel on Financial Affairs was consulted on the proposal at its meeting on 5 May 2008. In the absence of Mr CHAN Kam-lam, Chairman of the Panel, the Chairman reported the deliberations of the Panel. He said that the Panel was supportive of the proposal which would benefit some 2 440 000 residential electricity accounts with a maximum subsidy of \$1,800 for each account to cover the billed electricity charges over a maximum period of three years. Panel members had raised concerns whether tenants also entitled to

receive the subsidy, the time limit for using the subsidy, the disbursement of the subsidy to the electricity companies, and whether the subsidy would lead to increased electricity consumption.

35. Mr WONG Kwok-hing noted that some elderly people living alone, especially those in hardship, consumed very little electricity in order to save money. Some elderly people also stayed in the Mainland or at their children's homes from time to time. These elderly people therefore might not use up the maximum subsidy within three years. He asked whether the Administration would consider extending the three-year period to cater for the needs of these elderly people.

36. The Secretary for Financial Services and the Treasury (SFST) advised that in drawing up the present proposal, the Administration had given consideration to ensure that the subsidy would benefit the vast majority of households. He elaborated that about 95% of residential electricity accounts were paying an average of \$50 a month or above for electricity charges. The \$1,800 subsidy, which was around \$50 a month over a period of three years, would likely be expended by over 95% households within the time limit.

37. Mr WONG Kwok-hing remained concerned as there were still about 5% households which might not fully utilize the subsidy within the three-year period. He called on the Administration to adopt a flexible approach and consider extending the three-year limit for receiving the subsidy.

38. SFST explained that as the subsidy was a one-off measure, it was necessary to set a time limit to facilitate implementation. He added that the remaining 5% of households paying electricity charges less than \$50 a month were believed to be mainly premises being left vacant or not used as primary residence.

39. Mr WONG Kwok-hing remained concerned about the households which might not receive the maximum subsidy. He strongly requested the Administration to consider extending the time limit if many households had not used up the subsidy towards the end of the three-year period. SFST re-iterated that based on the past spending pattern, a vast majority of households would be able to use the full amount of the subsidy within the three-year period. He noted Mr WONG's view and said that the Administration would be happy to report the implementation progress if Members so requested.

40. Ms Audrey EU supported the financial proposal in principle. She opined that to encourage energy conservation, the subsidy should be restricted to households with low electricity consumption. SFST pointed out that it would be difficult to set a reasonable threshold for such purpose because the number of people in each household varied. He re-iterated that the present proposal had struck a proper balance between covering the vast majority of population and the need to avoid waste of energy.

41. Mr Audrey EU enquired about the arrangements for households that had changed their residence, or split up their existing accounts into several accounts within the three-year period. The Permanent Secretary for Financial Services and the Treasury explained that under the proposal, the maximum subsidy of \$1,800 would be injected into eligible residential electricity accounts in six phases. Specifically, \$300 would be credited to each residential account in existence on the first day of each month for six consecutive months, tentatively starting from 1 September 2008. As such, as long as an eligible account existed on a credit date, regardless of whether it was currently an existing electricity account or a new account such as one created by a change in residence or splitting of existing accounts, it would be entitled to the subsidy at that credit date. If new accounts were created after the first six months, the new accounts would not be credited with any subsidy. He added that the subsidy could continue to be used under the same account for two and half years after the six-month period.

42. Mr WONG Kwok-hing pointed out that tenants in partitioned cubicles in a flat might not have their own electricity meters and their rentals usually included electricity charges. He was concerned how the subsidy could pass on to tenants of partitioned cubicles. In this connection, Ms Audrey EU noted that while the landlords were usually the electricity account holders, the tenants were required to pay for the electricity they consumed. SFST advised that whether the landlords would pass on the subsidy prorata to the tenants concerned would depend on the terms of the tenancy agreements. He re-iterated that in working out the present proposal, due regard had been given to ensure that the subsidy would benefit the vast majority of households. He also stressed that the proposed subsidy was part of the overall Government policy objective to support disadvantaged groups. There were other initiatives announced in the 2008-2009 Budget as well as on-going measures targeted at helping the needy.

43. Ms Emily LAU expressed support for the proposal and hoped to see that the measure would benefit the lower-income households. Referring to the impact of rising inflation on the livelihood of citizens, Ms LAU sought information on the Administration's latest estimate on the trend of inflation, and other relief measures to be devised for relieving the pressure on households. SFST responded that in preparing the 2008-2009 Budget, the Financial Secretary had already envisaged the impact of the rising inflation on the public, and put forward a series of measures to ease the inflationary pressure. On the trend of inflation, SFST said that the Government Economist would adjust the inflation rate, if necessary, with regard to the prevailing economic conditions.

44. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 6 - FCR(2008-09)6

Discussion paper on the starting time of Finance Committee meetings and related meeting arrangements

45. The Chairman explained that the Secretariat had earlier issued a consultation paper (LC Paper No. FC48/07-08) to consult members regarding the suggestions on the starting time of the Finance Committee (FC) meetings on 25 March 2008. Among the 36 members who had responded to the consultation, 26 members supported rescheduling the starting time of FC meeting to a fixed time after 3:00 pm or immediately after the House Committee (HC) meetings, whichever was later, if it was anticipated that the preceding HC meeting would go beyond 3:00 pm (i.e. the proposed arrangement in the discussion paper); whereas 26 members did not support reverting to the original arrangement of holding FC meeting before HC meeting. The Chairman sought members' view on whether the proposed arrangement should be endorsed.

46. Ms Emily LAU raised objection to the proposed arrangement. Given the importance of the work of FC in scrutinising proposals for public expenditure, she considered it necessary to stipulate a definite starting time for FC meetings, so as to facilitate the public to keep track of the discussion at FC meetings. It was also undesirable to keep Government representatives attending FC meetings waiting for the start of FC meetings, if the preceding HC meeting was to continue beyond 3:00 pm. As such, Ms LAU supported reverting to the original arrangement of holding FC meeting before HC meeting which was the arrangement prior to the 2006-2007 session. She noted that there were ten members in support of reverting to the old arrangement.

47. Mr Howard YOUNG said that Members of the Liberal Party supported the proposed arrangement in the paper. Mr CHAN Kam-lam said that Members should respect the outcome of the consultation, hence he supported adopting the proposed arrangement. Mr LEUNG Kwok-hung said that as the Third Legislative Council was drawing near its end, the matter should be considered by Members of the Fourth Legislative Council.

48. The Clerk to FC informed members that the Administration had been consulted on the matter. While the Administration had no objection to the proposed arrangement, it requested that the notice to re-schedule a FC meeting originally scheduled at 3:00 pm on Friday should reach the Financial Services and the Treasury Bureau not later than Wednesday noon. The Deputy Secretary for Financial Services and the Treasury (Treasury) 1 confirmed that it would be more convenient to the officials attending the FC meeting if the starting time was a fixed time.

49. The Chairman put the proposed arrangement to vote. 12 members voted for the proposal, 4 members voted against and one member abstained. The individual results were as follows:

For :

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| Mrs Selina CHOW LIANG Shuk-yee | Mr CHEUNG Man-kwong |
| Mr CHAN Kam-lam | Mrs Sophie LEUNG LAU Yau-fun |
| Mr WONG Yung-kan | Mr Howard YOUNG |
| Mr LAU Kong-wah | Ms Miriam LAU Kin-yee |
| Miss CHOY So-yuk | Mr WONG Kwok-hing |
| Mr KWONG Chi-kin | Mrs Anson CHAN |

(12 members)

Against :

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| Mr LEUNG Yiu-chung | Ms Emily LAU Wai-hing |
| Ms Audrey EU Yuet-mee | Dr Fernando CHEUNG Chiu-hung |

(4 members)

Abstention :

Mr LEUNG Kwok-hung
(1 member)

50. The Committee approved the proposed arrangement.

51. The meeting was adjourned at 5:00 pm.