

立法會
Legislative Council

LC Paper No. CB(1)26/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/FA/1

Panel on Financial Affairs

Minutes of special meeting
held on Monday, 27 June 2011 at 8:30 am
in Conference Room A of the Legislative Council Building

Members present : Hon CHAN Kam-lam, SBS, JP (Chairman)
Hon CHAN Kin-por, JP (Deputy Chairman)
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon James TO Kun-sun
Dr Hon Philip WONG Yu-hong, GBS
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Vincent FANG kang, SBS, JP
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Hon Paul CHAN Mo-po, MH, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Members attending: Hon Fred LI Wah-ming, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Paul TSE Wai-chun

Members absent : Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP

Public officers attending : Agenda item I

Prof 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)

Ms Alice LAU, JP
Deputy Secretary for Financial Services and the Treasury (Treasury)¹

Miss Katy FONG
Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (Special Assignment)

Mrs Lesley WONG, JP
Director of Accounting Services
The Treasury

Mr Martin SIU
Assistant Director of Accounting Services (Information Systems)
The Treasury

Mr Dominic LAI
Senior Assistant Law Officer (Civil Law)
Department of Justice

Attendance by invitation : Agenda item I

Mr Allan CHIANG
Privacy Commissioner for Personal Data
Office of the Privacy Commissioner for Personal Data,
Hong Kong

Ms Brenda KWOK
Acting Deputy Privacy Commissioner for Personal Data
Office of the Privacy Commissioner for Personal Data,
Hong Kong

Ms Sara LAM
Chief Personal Data Officer
Office of the Privacy Commissioner for Personal Data,
Hong Kong

Clerk in attendance : Ms Anita SIT
Chief Council Secretary (1)5

Staff in attendance : Mr Noel SUNG
Senior Council Secretary (1)5

Ms Haley CHEUNG
Legislative Assistant (1)5

Action

I Proposal to give a sum of \$6,000 to eligible persons

(LC Paper No. CB(1)2500/10-11(01) — Paper provided by the Administration

LC Paper No. CB(1)2576/10-11(01) — Letter dated 22 June 2011 from Hon James TO and Hon KAM Nai-wai

LC Paper No. CB(1)2588/10-11(01) — Administration's reply dated 23 June 2011 to the letter from Hon James TO and Hon KAM Nai-wai

LC Paper No. CB(1)2575/10-11 — Background brief prepared by the Legislative Council Secretariat)

Declaration of interest

The Chairman remarked that Rule 83A of the Rules of Procedures provided that in the Legislative Council or in any committee or subcommittee, a Member should not move any motion or amendment relating to a matter in

which he had a pecuniary interest, whether direct or indirect, or speak on any such matter, except where he disclosed the nature of that interest. Given that the agenda item under discussion concerned with "Scheme \$6,000" (the Scheme) which, if approved by the Finance Committee, would give a sum of \$6,000 to each Hong Kong Permanent Identity Card (HKPIC) holder aged 18 or above, and all Members would be eligible for the sum, the Chairman suggested that he would make a declaration of such interest on behalf of Members present at the meeting, so that individual Members would not need to declare such interest when they spoke on the Scheme. Members agreed to the suggestion, and then the Chairman made a declaration of the interest on behalf of Members present at the meeting.

Briefing by the Administration

2. The Secretary for Financial Services and the Treasury (SFST) remarked that while the mass media had accurately reported the arrangements for the disbursement of \$6,000 to eligible persons, there were still some misunderstandings about the implementation details of the Scheme. SFST clarified that under the proposed implementation arrangements, eligible persons, including the elderly, were not required to turn up in person at the banks or post offices in order to register for the Scheme. Eligible persons might submit their registration forms by post to a post box number designated for the Scheme, or put the forms into the drop-boxes placed at the banks and post offices. Eligible persons might also submit their registration forms through e-banking of those banks which provided an e-banking registration platform for their clients. SFST stressed that all eligible persons, including the elderly and those without a bank account, did not have to queue up at the banks or post offices to obtain or submit their registration forms. Registration would start with the eldest, i.e. those aged 65 or above. To enable the elderly to understand the registration procedure and to minimize the risk of fraud, after obtaining the Finance Committee's approval of the Scheme, the Government would hold briefings for major non-governmental organizations (NGOs) regarding the detailed registration and payment procedures under the Scheme, so that the NGOs could render assistance to the elderly and other persons in the process as appropriate. The Government would launch a large scale publicity campaign to inform the public of the registration arrangements and other details of the Scheme. A website for the Scheme as well as a dedicated hotline would be set up to answer public enquiries. Publicity would be made through the "Police Magazine" TV programme to alert the elderly against deception associated with the Scheme.

3. SFST pointed out that because of privacy considerations, the payment of \$6,000 to eligible persons could not be made through existing payment systems, such as the civil service payroll and pension systems, the

Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance (SSA) Scheme. According to the Data Protection Principles stipulated in Schedule 1 of the Personal Data (Privacy) Ordinance (Cap. 486) (PDPO), personal data should not, without the prescribed consent of the data subject, be used for any purpose other than (a) the purpose for which the data were to be used at the time of the collection of the data, or (b) a purpose directly related to the purpose referred to in (a). Having reviewed the conditions for collection of the personal data under the existing payment systems, and based on legal advice, the Government concluded that the relevant personal data could only be used for the purposes specified at the time of the collection of the data. If the Government were to use the data for the Scheme, the Government would need to obtain from the relevant persons their prescribed consent for such data to be used for the Scheme. It was therefore necessary for the Government to devise a new platform for eligible persons to register for the Scheme.

Discussion

Registration procedure

4. Mr WONG Kwok-hing remarked that many elderly people had requested that the sum of \$6,000 be paid to them through the existing payment systems for social welfare allowances, so as to obviate the need for them to register for the Scheme separately. Mr WONG enquired whether, if the existing payment systems could not be utilized for the Scheme due to privacy concerns, the Privacy Commissioner for Personal Data (PCPD) could consider giving exemption to the Scheme under the PDPO in order to streamline the payment procedures.

5. The Permanent Secretary for Financial Services and the Treasury (PS(Tsy)) responded that the Government had explored the possibility of making use of existing payment systems for disbursement of the sum of \$6,000. Having regard to the privacy considerations, the Government concluded that a new platform needed to be devised for eligible persons to register for the Scheme. Under the proposed arrangements, eligible persons, including the elderly, would not need to queue up to register for the Scheme, as they might submit their registration forms by post or use the drop-boxes placed at banks and post offices.

6. PCPD advised that his office's main participation was to consider the Government's proposed matching of the personal data provided by the registrants of the Scheme with the relevant records held by the Immigration Department for the purpose of establishing the registrants' eligibility. Pursuant to section 30(1) of PDPO, he had on 14 June 2011 given his consent for the

matching procedure. His office had also been involved in some general exchanges with the Government on the implementation of the Scheme with a view to assisting the Government in ensuring compliance with the requirements under the PDPO. However, PCPD had not been involved in designing the implementation arrangements or exploration of alternatives, including the use of the Government's existing payment systems such as the systems for disbursing CSSA and SSA. Such involvement, which was tantamount to providing legal advice and endorsement to data users, was inappropriate as it conflicted with PCPD's role to enforce the PDPO as an independent statutory authority. As regards whether the existing payment systems for CSSA and SSA could be used for the purpose of the Scheme, PCPD remarked that based on the PDPO, the use of the existing payment systems involved the use of personal data previously collected from the recipients such as bank account details. Under Data Protection Principle 3 of PDPO, such use of the personal data, unless consented by the recipients, was only permissible if the purpose of the Scheme was the same as or directly related to the original purpose for which the data was collected. As the original purpose for the data collection was for the Government to provide CSSA and SSA, both being social welfare in nature, the critical question was what the purpose of the handout of \$6,000 under the Scheme was. The Government's paper on the Scheme mentioned about "leave wealth with the people". If "leaving wealth with the people" was meant to be social welfare or included the meaning of social welfare, in using the existing payment systems for CSSA and SSA for the purpose of the Scheme, the requirement under Data Protection Principle 3 would be met. In short, the crux of the issue depended on the nature of the \$6,000 as intended by the Government.

(Post-meeting Note: A media statement dated 27 June 2011 made by the PCPD on his comments on the Scheme was issued to Members vide LC Paper No. CB(1)2611/10-11 on 29 June 2011.)

7. Mr WONG Kwok-hing pointed out that elderly people who had moved to live in the Mainland might have difficulty to travel a long way back to Hong Kong to register for the Scheme. He enquired whether the elderly persons living in the Mainland would be allowed to register for the Scheme through intermediaries such as the liaison offices of the Hong Kong Federation of Trade Unions in the Mainland, with documentary proof from the relevant Mainland authorities that the eligible persons were still alive.

8. Ms Starry LEE enquired as to when the registration forms would be ready for distribution to eligible persons, as many elderly people were waiting anxiously to receive the sum of \$6,000. Ms LEE remarked that as pointed out by PCPD, if the Scheme was meant to be social welfare, then the payments could be made through the existing systems for payment of social welfare

assistance. Mr WONG Kwok-kin echoed Ms LEE's view and expressed concern about the long time taken for eligible persons to register for the Scheme and receive the payment after the Finance Committee had approved the Scheme.

9. PS(Tsy) responded that the detailed arrangements of the Scheme would be finalized after discussion at the Panel and approval of funds by the Finance Committee. A large scale publicity campaign would be launched afterwards to inform the public of the registration process and other details of the Scheme. The "Police Magazine" programme would also alert eligible persons against possible deceptions associated with the Scheme. The Government aimed to distribute the registration forms and make the payments as soon as possible after the publicity campaign had been launched. PS(Tsy) remarked that an eligible person living in the Mainland might send in the registration form by post instead of submitting it in person. Subject to successful verification of eligibility, arrangement would be made to pay the sum of \$6,000 into the bank account specified by the registrant.

10. Mr Jeffrey LAM remarked that the Government had accepted many of the suggestions made by the Economic Synergy regarding the registration and payment arrangements for the Scheme, including the arrangement to obviate the need for elderly persons to register in person, and the setting of the first registration date on a public holiday so as to enable the banks and post offices to concentrate on handling the registrants. He remarked that adequate training on the registration procedure should be provided to the staff of the banks and Hongkong Post.

11. PS(Tsy) responded that it was anticipated that notwithstanding publicity on the various registration methods and the registration timetable, some eligible persons might still rush to register for the Scheme on the first registration day. In order to ensure that the registration process would be carried out in an orderly manner, the Government had proposed to designate a Sunday, tentatively set on 28 August 2011, as the commencement day for registration of the Scheme, so that dedicated efforts could be made by banks and post offices to handle registration for the Scheme. Staff of the banks and Hongkong Post would assist the eligible persons, in particular the elderly, in the registration process. PS(Tsy) reiterated that the Government would liaise with the major NGOs, which would help convey to the elderly persons messages about the registration procedure.

12. Noting that the registration forms for the Scheme were also distributed in other Government offices in addition to post offices, Mr IP Wai-ming enquired why the registration forms could only be submitted to the banks and post offices.

13. SFST replied that the banks and the Hongkong Post were responsible for collection of the completed registration forms on consideration of the need to safeguard the personal data privacy of the registrants. The Deputy Secretary for Financial Services and the Treasury (Treasury)1 (DS(Tsy)1) supplemented that there were nearly 1 200 branch offices of the banks and the Hongkong Post designated for collection of the registration forms. Apart from the consideration of privacy protection, the designation of additional collection offices would lead to higher administration costs for the Scheme. Eligible persons might also choose to submit their registration forms by post or through e-banking.

14. Ms Starry LEE opined that, in order to streamline the payment procedures, a box could be included in the registration form to allow recipients of CSSA and SSA to indicate that they agreed to the Government paying the sum of \$6,000 into their CSSA and SSA bank accounts. Mr Frederick FUNG remarked that the registration form for the Scheme should be designed in a way that the recipients of CSSA and SSA and civil servants could indicate consent for the sum of \$6,000 to be paid through their designated bank account under the relevant social welfare or payroll systems.

15. PS(Tsy) responded that the registration form would be very simple and the registrants might choose to receive the \$6,000 payment through a bank account. The addition of the option for the registrants to receive the payment through the designated account under the various social welfare schemes and the civil service payroll system would not be much different from the contemplated arrangement in terms of convenience to the public. PS(Tsy) said that the Government would take into account Members' comments in finalizing the design of the registration form.

16. Mr Ronny TONG expressed grave concern about the high administration cost, which amounted to over \$1,000 million, for implementation of the Scheme. He queried why the sum of \$6,000 could not be disbursed through the existing payment systems as in the cases of making extra payments to CSSA and SSA recipients and injection into the Mandatory Provident Fund accounts of eligible persons, so as to save the high administration expenses. Mr TONG opined that the purpose of the measure was to pay \$6,000 to each HKPIC holder aged 18 or above, and making the payment through the existing social welfare and other payment systems should not give rise to personal data privacy issues. Mr TONG objected to making the Scheme a permanent practice.

17. SFST responded that the 2011-12 Budget had included other relief measures, such as a subsidy of two months' rental for public housing tenants, and measures to help the needy. The Scheme was a one-off measure and had a specific aim of "leaving wealth with the people", by giving a sum of \$6,000 to each HKPIC holder aged 18 or above. The Scheme should be considered a measure separate from other relief or social welfare measures. The Government had considered all possible alternatives for payment of the sum of \$6,000 to HKPIC holders and, having regard to the privacy and policy concerns, considered that the proposed arrangements were the most appropriate. SFST reiterated that the proposed Scheme was unique in its objective and its eligibility criteria were different from those of other social welfare schemes. In order to avoid confusion, a separate payment system had to be devised for the Scheme.

18. Mr KAM Nai-wai enquired, given the comments of PCPD, whether the payment of \$6,000 to the elderly could be taken as a social welfare measure to assist the elderly, so that elderly eligible persons could be paid the \$6,000 through their CSSA or SSA bank accounts, hence obviating the need for the elderly to register for the Scheme. Mr KAM further enquired whether the Government would consider issuing letters to the recipients of CSSA and SSA, indicating that if they did not raise objection by a certain date to paying the \$6,000 into their relevant bank accounts, the Government would arrange to pay the sum into the relevant bank accounts.

19. Pointing out that the Government had not sought the eligible persons' consent when it injected money into their Mandatory Provident Fund accounts in 2009, Mr James TO also expressed doubt about the Government's claim that the existing payment systems for recipients of social welfare assistance and for civil servants could not be used for the Scheme. Mr TO remarked that the Government should aim to facilitate the eligible persons when it designed the registration and payment procedures for the Scheme. Mr TO enquired, since those recipients of CSSA/SSA who had used an updated form for applying for SSA had given consent for use of their data for other purposes, why the Government did not arrange to make direct payment to these SSA recipients so as to reduce the caseload for the general platform.

20. PS(Tsy) explained that the Government had considered the possibility of using the existing payment systems for payment of \$6,000 to the eligible persons under the Scheme, and concluded that new platforms needed to be devised for registration and payment under the Scheme. The majority of CSSA/SSA recipients applied for the assistance/allowance before October 2010 using the then prevailing forms. According to such forms, the applicants declared that they "fully understand the purpose and agree to the Social

Welfare Department (SWD) obtaining information from them for the purpose of applying for SSA/CSSA". They also "agree that these data and other related information contained in subsequent case records or social enquiry reports can be shared with other SWD offices or government departments or related non-governmental organisations to facilitate their application for assistance and service from the SWD". The Scheme was not an assistance or service from the SWD, and its objective was different from the welfare nature of SWD's assistance and service. CSSA/SSA recipients who applied using the above-mentioned forms could reasonably expect that their personal data would only be transferred to other parties if they took the step to "apply" for assistance and service. As such, the Government could not unilaterally make use of such personal data for the Scheme without obtaining the consent of these CSSA/SSA recipients

21. PS(Tsy) further explained that apart from privacy considerations, the registration procedure was necessary as the eligible persons needed to indicate their option as to whether they wished to receive the sum, whether they wished to receive the sum immediately or plus a bonus on a later date, and to give instruction as to how they wanted to receive the money. Moreover, the use of the existing payment systems might create confusion for elderly persons whose circumstances varied and the facilitation that could be provided to CSSA and SSA recipients would be limited, as the recipients would still need to fill out and submit a form to give consent to the Government to use their personal data collected and kept for making CSSA or SSA payment. On balance, the Government had concluded against introducing special arrangements for the CSSA and SSA recipients. PS(Tsy) pointed out that the "opt out" arrangement proposed by Mr KAM was not viable, as the PDPO specified that a "prescribed" consent from the person concerned should be obtained before his personal data could be used for the Scheme.

Commencement day for registration

22. Ms Starry LEE, Ms Emily LAU, Mr KAM Nai-wai, Mr WONG Kwok-kin and Mr IP Wai-ming expressed concern that eligible persons, especially the elderly who were eager to receive the sum of \$6,000 as soon as possible, would try to register on the first registration day, tentatively scheduled for 28 August 2011, and this might create chaos at the banks and post offices. They urged that arrangements should be made to prevent chaotic situation on the first registration day. Citing the experience of other welfare activities in the districts, Mr WONG Kwok-kin remarked that the designation of a specific date, i.e. 28 August 2011, for commencement of the registration process was tantamount to an invitation to the elderly to rush in and register on the commencement day. Mr IP Wai-ming was concerned that as the

commencement day fell in August, there might be inclement weather leading to chaos at the banks and post offices.

23. SFST responded that through the publicity campaign, eligible persons, including the elderly, would be informed that the registration period would last for many months, and eligible persons did not have to queue up in person at the banks or post offices to register for the Scheme. They might send in their completed registration forms by post, or put the forms into the drop-boxes placed at the banks or post offices. Eligible persons might also register for the Scheme via e-banking. The designation of a Sunday as the commencement day for registration was to ensure that the banks and post offices could make dedicated efforts in dealing with the registration for the Scheme. Given Members' comments, the Government would consider further measures to ensure that the registration process on the commencement day would be carried out in an orderly manner.

24. Pointing out that some elderly persons might have passed away between the approval of the Scheme by the Finance Committee and the commencement of the registration process, Mr KAM Nai-wai enquired whether old people who were seriously ill could be allowed to register for the Scheme immediately after the approval of the Scheme by the Finance Committee, instead of waiting for the commencement of the registration period seven weeks after the Finance Committee's approval.

25. PS(Tsy) responded that the sum of \$6,000 would be paid to eligible persons who had registered for the Scheme. If an eligible person had registered for the Scheme and then passed away, the sum paid to him/her would be regarded as the estate of the persons concerned.

26. Mr Frederick FUNG opined that the registration process should commence as early as possible, preferably on 9 July 2011 if the Finance Committee approved the funding for the Scheme on 8 July 2011, so that the elderly and sick persons could receive the payment at the earliest time possible. Given that on average about 4 000 people passed away in a month, a few thousand persons might lose the opportunity to receive the payment if the registration process started on 28 August 2011.

27. SFST reiterated that in order to ensure that registration and payment processes under the Scheme would be made in an orderly manner, the Government would need about seven weeks to make the pre-launch preparation for the Scheme, including the launch of a large scale publicity campaign and preparation for the registration and payment arrangements.

Payment arrangements

28. Ms Starry LEE remarked that many eligible persons were concerned about the long time required for the payment of the sum of \$6,000 under the Scheme. Noting that the earliest time that the payment could be made would be November 2011, Ms LEE enquired whether the payment schedule could be advanced to a time earlier than November 2011.

29. SFST responded that assuming that the Finance Committee approved the funding for the Scheme on 8 July 2011, registration could start about seven weeks thereafter as the Government would need to carry out the publicity campaign on the Scheme, and the relevant parties including banks and the Hongkong Post would need to finalise the development of their systems for the registration and payment arrangements.

30. Mr KAM Nai-wai enquired why eligible persons were not allowed to use a joint bank account to receive the sum of \$6,000 from the Scheme, as many elderly people held a joint bank account with their relatives. Mr IP Wai-ming pointed out that many of the elderly held joint bank accounts as they might be too old or sick to look after their own bank account. Mr Frederick FUNG pointed out that about 700 000 elderly people were not receiving the Old Age Allowance, and might not have a sole-name bank account.

31. PS(Tsy) responded that based on the SWD's requirement, over 500 000 elderly persons who were receiving the Old Age Allowance already had a sole-name bank account. Hence, the requirement for using a sole-name bank account for receiving the sum of \$6,000 should not pose any problem to the recipients of the Old Age Allowance. Under the Scheme, the elderly eligible persons might also choose to receive cheques from the Hongkong Post and then deposit the money into a bank account of their own choice. For the mentally incapacitated persons as defined in the Mental Health Ordinance (Cap. 136) and people who relied on an appointee system to receive CSSA or SSA payments, the payment of \$6,000 would be made to the guardians or appointees for the benefit of the unfit persons, similar to the existing arrangements under the guardianship and appointee systems.

32. Mr WONG Kwok-kin pointed out that many elderly persons who had moved to live in the Mainland or had mobility problem held a joint bank account with a relative in Hong Kong. Mr WONG enquired whether, with safeguards built into system to guard against deception cases, these eligible persons would be allowed to use a joint bank account for the purpose of the Scheme or authorize a person to receive the payment cheque for them.

33. PS(Tsy) reiterated that all recipients of Old Age Allowance held a sole-name bank account which could be used for the purpose of the Scheme. A special arrangement would be made for eligible persons who had mobility problem to register and receive payment under the Scheme.

34. In response to Mr Jeffrey LAM's enquiry as to whether the eligible persons would be able to receive the sum of \$6,000 before the Chinese New Year in 2012, PS(Tsy) replied that subject to the approval of the Finance Committee, the registration process would commence seven weeks after the approval of funds, and payment might start about 10 weeks after registration. Based on this schedule, the majority of the eligible persons should be able to receive the payment before end of January 2012, i.e. before the next Chinese New Year, although some eligible persons might submit the registration forms later than January 2012, and/or opt to receive the payment later.

35. In response to Mr WONG Ting-kwong's enquiry as to how an eligible person would receive the bonus of \$200, PS(Tsy) advised that if an eligible person submitted the registration form after the eligibility date, i.e. 31 March 2012, he would be eligible for a bonus of \$200.

36. In reply to Mr WONG Ting-kwong's enquiry about the type of bank account that could be used for the Scheme, and whether eligible persons living outside Hong Kong could submit their registration forms by post, DS(Tsy)1 responded that any account opened with the 21 banks designated for the Scheme, including savings and current accounts, could be used for payment under the Scheme. Eligible persons living outside Hong Kong could download the registration form from the Government website, and submit their registration form by post, or if they held a bank account with the 14 banks offering e-banking services under the Scheme, submit their registration via e-banking. DS(Tsy)1 added that for registrants who lived outside Hong Kong and did not have a bank account in Hong Kong, the cheque issued to them would be available for collection at post offices for 12 months starting from the issue date of a notification to the registrants.

Financial implications

37. Noting that the proposed financial commitment was worked out based on the assumption that 20% of the eligible persons would choose to receive the sum of \$6,000 with bonus, Mr Fred LI enquired whether supplementary provision would be required if more than 20% eligible persons opted to receive the sum with the bonus.

38. PS(Tsy) explained that whether a supplementary provision would be required would depend on a host of factors including the percentage of eligible persons choosing to receive the sum of \$6,000 with the bonus. Given public expectation for early disbursement of the sum, it was unlikely that an application for supplementary provision for the Scheme would be required.

39. Mr Fred LI expressed concern about the disparity in the charges collected by the banks and the Hongkong Post. DS(Tsy)¹ responded that the service charges respectively imposed by the banks and the Hongkong Post were calculated based on the "cost-recovery" principle. Out of the total payment of \$9.4 million to Hongkong Post, about \$2 million was paid for sorting and posting services provided by Hongkong Post. The service charge of Hongkong Post was higher than that of the banks, which were \$25 and \$15 per successful registration respectively, because the banks already had an established system to deal with transfer of funds, whereas the Hongkong Post had to put in extra manpower to handle the registration work and disbursement of cheques to the eligible persons under the Scheme.

Deception

40. Ms Emily LAU enquired whether the elderly would be allowed to claim the sum of \$6,000 again if they were deceived of the money in a deception case. SFST responded that eligible persons who had not received payment of \$6,000 might apply for the sum from the Scheme. Deception cases would be dealt with by the Police.

Impact on inflation

41. Ms Emily LAU remarked that while many eligible persons were anxious that the payment of the sum of \$6,000 should be made as soon as possible, the public were generally of the view that the Government should make better use of the fiscal reserves to improve the welfare and facilities for the community. Ms LAU expressed concern about the impact of the Scheme on inflation, and enquired why the Government considered that the Scheme would not impact on inflation. Mr KAM Nai-wai echoed Ms LAU's concern. Mr KAM remarked that the Government's view that the Scheme would not impact on inflation was contradictory to its earlier statement that the disbursement of the Government's surplus funds or the provision of "sales coupons" to the public might exacerbate inflation.

42. SFST responded that the Government was obliged to allocate sufficient funds to support the development of education, medical and social welfare services for the community. The Scheme was a one-off measure to "leave wealth with the people". The Government had closely monitored the

inflation situation in Hong Kong and considered that the timing and arrangement for launch of the Scheme was suitable. SFST remarked that taking into account the annual overall consumer expenditure, the expenditure for the Scheme, the amount under the Scheme which might be spent locally and overseas, and the external factors affecting inflation, the Government considered that the introduction of the Scheme was a feasible measure.

Handling of data collected from the Scheme

43. Mr Jeffrey LAM enquired as to how the Government would deal with the data collected from the Scheme. Mr Frederick FUNG enquired whether the data would be destroyed after completion of the Scheme.

44. PS(Tsy) responded that security measures would be put in place to ensure that the personal data collected under the Scheme by the banks and Hongkong Post would be stored, transferred and used in compliance with the PDPO. There would be a declaration in the registration form that the Government be allowed to use the personal data collected under the Scheme for other schemes operated for the same purpose as the Scheme, although whether the information would actually be used would depend on whether such a similar scheme would be introduced in the future.

45. Mr Fred LI expressed concern that the Government had taken several months to work out the implementation arrangements for the Scheme, and it would take another few months before the eligible persons would receive the payment. Mr LI enquired, if the same or a similar scheme was introduced in future, how the Government would make use of the platform established in the current Scheme to streamline the procedures. Mr LI pointed out that the Macao and Singapore governments had established a dedicated office to deal with the disbursement of public money to eligible persons.

46. SFST stressed that the Scheme was a one-off measure to "leave wealth with the people", and it was premature to consider whether a similar scheme would be introduced in the future, which would depend on the prevailing economic situation, the Government's financial position and budgetary considerations at the time. SFST pointed out that unlike some other jurisdictions, Hong Kong did not maintain a central database on residents contributing to centralized schemes such as a territory-wide provident fund or social security scheme.

47. Mrs Regina IP remarked that whilst the Government emphasized that the Scheme was a one-off measure, it indicated that the registration form for the Scheme would include a provision that the data collected might be used in the future. She enquired whether the Government could undertake to shorten

the implementation time if a similar scheme was launched in future, in view that a platform had already been established in the current exercise. Mrs IP pointed out that the Singapore government was able to make similar payments within a much shorter time.

48. SFST stressed that the Scheme was meant to be a one-off measure to "leave wealth with the people". Although certain time might be saved if a similar scheme was to be introduced in future, the Government would still have to take into account the policy considerations at the time, and the need to update the relevant information. PS(Tsy) supplemented that whether the platform established in the current Scheme would be useful in a similar scheme in the future would depend on the objectives and detailed arrangements of any such future scheme. PS(Tsy) pointed out that the Singapore government was able to make similar payments to the public within a shorter period mainly because it already had a central database (i.e. the Goods and Services Tax system) capturing the necessary information of its residents, and in Singapore there was no generic privacy legislation like the PDPO in Hong Kong.

49. Mr Paul CHAN remarked that taking into consideration the Data Protection Principles under the PDPO, and the need to ensure proper implementation of the Scheme, he supported the proposal to establish a separate registration and payment system for the Scheme. Mr CHAN opined that the database established under the Scheme should be maintained and suitably updated for use in future large scale social welfare or community projects/schemes. The opportunity should also be taken to make use of the information collected under the Scheme to facilitate the enforcement agencies to locate wanted persons, and the registration forms should seek the registrant's consent for the Government to use the personal data provided for law enforcement purposes. Mr Paul TSE echoed Mr CHAN's view and remarked that the registrants should be requested to indicate in the registration form their consent for the Government to use the personal data for dissemination of Government information, such as information relating to travels or provision of welfare services. The opportunity could also be taken for registration of voters for elections. Mr TSE opined that in order to maximise the use of resources, the Government might also consider registering the eligible persons through the 2011 Census exercise.

50. SFST and PS(Tsy) responded that the Government had to be very carefully in collecting personal data from persons concerned, and the data collection arrangements should be subject to the statutory requirements under the PDPO and the acceptability of the public. The Scheme had a specific objective of "leaving wealth with the people". It would not be appropriate to incorporate other unrelated elements in collecting personal data for the purpose of the Scheme.

Review of the PDPO

51. While supporting the principle of protection of privacy, the Deputy Chairman pointed out that in recent cases such as the proposed Scheme and the creation of a positive credit database on mortgage loans, the Government had to put in a lot of extra resources in order to set up systems or procedures in order to ensure compliance with the privacy protection requirements under the PDPO. The Deputy Chairman enquired whether consideration would be given to reviewing the PDPO with a view to striking a more suitable balance between privacy protection and administration efficiency.

52. SFST responded that the procedures for the Scheme were drawn up in compliance with the PDPO. Any review of the PDPO would need to go through public consultation and consideration by the Legislative Council. PCPD said that Data Protection Principle 3 conformed to the international privacy standard. In a society which treasured the rule of law as one of the cornerstones of Hong Kong's way of life, it was essential that PCPD applied the law consistently instead of succumbing to expediency. PCPD did not have any discretion to grant exemptions unless such power was provided for in the legislation. In this regard, in the context of the current review of the PDPO, he had submitted to the Government a proposal to provide PCPD with the power to grant exemption on a case-by-case basis from the Data Protection Principles for the use of personal data on grounds of public interest. After public consultation, the Government had decided in October 2010 not to pursue the proposal.

General

53. The Chairman remarked that the Government should take into consideration Members' views and concerns in working out the detailed arrangements for the Scheme, in particular the arrangements for the first day of registration in order to prevent any chaos or untoward incidents, the early distribution of the registration forms and the arrangements for allowing guardians and appointees to receive payment for the benefit of unfit persons. To meet public aspirations, every effort should be made to expedite the registration and payment processes so that the eligible persons could receive the sum of \$6,000 at the earliest time possible.

54. Ms Emily LAU requested that the Government should include in the paper for the Finance Committee its response to Members' views and concerns raised at this meeting. The Chairman requested that the Government should provide to the Finance Committee a draft registration form and a list of the locations for distribution and submission of registration forms.

II Any other business

55. There being no other business, the meeting ended at 10:25 am.

Council Business Division 1
Legislative Council Secretariat
12 October 2011