

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 3rd meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 6 December 2013, at 5:10 pm**

Members present:

Hon NG Leung-sing, SBS, JP (Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon TAM Yiu-chung, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon WONG Yuk-man
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon YIU Si-wing
Hon Charles Peter MOK
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP

Hon Kenneth LEUNG
Hon KWOK Wai-keung
Hon IP Kin-yuen
Dr Hon CHIANG Lai-wan, JP
Hon CHUNG Kwok-pan
Hon Tony TSE Wai-chuen

Members absent:

Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHAN Hak-kan, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, BBS
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon WU Chi-wai, MH
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP

Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Public officers attending:

Ms Julia LEUNG Fung-yee, SBS, JP	Under Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Ms Francoise CHOW Bing-ying	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Jack CHAN Jick-chi, JP	Deputy Director of Home Affairs (2)
Miss Dora FU Ha-man, JP	Assistant Director of Home Affairs (3)
Prof Sophia CHAN Siu-chee, JP	Under Secretary for Food and Health
Miss Fiona CHAU	Principal Assistant Secretary for Food and Health (Health) 1
Dr LEUNG Ting-hung, JP	Controller, Centre for Health Protection, Department of Health
Dr Henry NG	Head, Programme Management and Professional Development Branch, Department of Health
Mr Kevin YEUNG Yun-hung, JP	Under Secretary for Education

Ms Pecvin YONG Pui-wan	Principal Assistant Secretary for Education (Further Education)
Mr Gary AU Kam-hung	Senior Assistant Executive Director (Corporate Governance), Vocational Training Council
Mr Oliver SHA Chun-yip	System Manager, Information Technology Services Division, Vocational Training Council

Clerk in attendance:

Mr Andy LAU	Assistant Secretary General 1
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Staff in attendance:

Mr Derek LO	Chief Council Secretary (1)5
Mr Daniel SIN	Senior Council Secretary (1)7
Mr Ken WOO	Senior Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

Action

The meeting continued the deliberation of the remaining items on the agenda.

Item No. 4 – FCR(2013-14)37

HEAD 63 – HOME AFFAIRS DEPARTMENT

Subhead 000 Operational expenses

Subhead 700 General non-recurrent

2. The Chairman advised that the item invited the Committee's approval of the proposed enhancements of the expenses reimbursement and related arrangements for members of the District Councils ("DC") with effect from 1 January 2014.

3. The Chairman said that members' pecuniary interest arising from the funding proposal was applicable to all of the 507 DC members. Having considered the previous practice of the Finance Committee ("FC") in dealing with similar funding proposals, the Chairman declared that FC members who were at the same time DC members could participate in the discussion and vote

on this item. Miss CHAN Yuen-han and Mr CHAN Han-pan declared that they were DC members.

Rate of Operating Expenses Reimbursement

4. Mr WONG Yuk-man supported the funding proposal. Mr WONG considered that the proposed new rate of Operating Expenses Reimbursement ("OER") was still insufficient to enable DC members to meet operating expenses such as rental for ward offices or assistants' salaries. He commented that as none of the members of the Independent Commission on Remuneration for Members of the District Councils of the Hong Kong Special Administrative Region was elected DC members, they did not understand the difficulties faced by most DC members. Mr WONG commented that unlike some of the DC members who belonged to large and resourceful political parties such as the Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB"), most of the independent DC members had no recourse to other funding sources apart from the basic remuneration and OER. He suggested that the Administration should further increase the rate of OER, and should widen DC members' functions. Miss CHAN Yuen-han expressed a similar view.

5. Mr TAM Yiu-chung responded to a remark from Mr WONG Yuk-man and clarified that DAB was not as resourceful as Mr WONG described, but the party was able to assemble like-minded people to serve the community.

6. Deputy Director of Home Affairs (2) ("DDHA") said that the Administration was aware of the operational needs of DC members. While DC members had the flexibility to determine the proportion of OER to be spent on rental or staff or other operating expenses, the proposed increase in OER by 34% should allow DC members to spend about \$14,000 on rental expenses. It was expected that the amount would be sufficient to fully cover 98% of the DC members who had claimed rental expenses reimbursement.

7. Dr LAM Tai-fai said that it was reasonable that the remuneration package of DC members should be adjusted in view of their heavy workload and their current grossly inadequate remuneration. Dr LAM said that having been an appointed DC member before, he understood the difficulties faced by many DC members, especially in meeting rental expenses. Some DC members had to set up ward offices on upper floors of buildings, which were affordable to them but inconvenient to their constituents. Dr LAM suggested that the Administration should help DC members find suitable office accommodation, and should, as the next step, review the honorarium of DC members.

8. DDHA said that the Administration had been actively helping DC members in need to set up ward offices. According to records, only 17 DC members had not set up ward offices yet and 11 of them indicated that they had no intention to do so. Respective District Offices under the Home Affairs Department had been helping the remaining six DC members to identify suitable sites for ward offices.

9. Mr TAM Yiu-chung supported the proposed increase in DC members' remuneration as it would provide them more resources to enhance their services to the local community. Mr TAM commented that the proposed adjustment in OER was still not sufficient, but it was an important step to improve the operation of DC members.

10. Mr Paul TSE declared that his spouse was a DC member. He supported the funding proposal, and hoped that the Administration would continue to improve the remuneration of DC members. Mr TSE said that the workload of work of DC member had become heavier and the scope of work wider than before since many tasks that had been performed by District Offices had now been laid on DC members. Besides, DC members had to incur heavy expenses on rent as well as services for the grassroots community. The OER rate was inadequate to meet the operational needs nor was it sufficient to pay DC members' assistants. Mr TSE said that it was necessary to provide more resources to support the work of DC members in order to enhance the quality of their services and expand their functions. Mr TSE asked why the Administration did not implement the proposed enhancement measures earlier.

11. DDHA said that the Administration had kept DC members' remuneration under review. Home Affairs Department had conducted four focus group meetings with DC members between May and June 2013, and some of their views had already been reflected in the current funding proposals.

12. Dr Priscilla LEUNG declared that she was a DC member. Dr LEUNG supported the funding proposal. She said that DC members needed at least two shifts of assistants to deal with the round-the-clock requests for services from their constituents. Sufficient resources should therefore be provided for DC members to meet staffing expenses. Dr LEUNG also commented that many DC members had to top up the rental expenses from their own sources, which posed heavy burden for them. As a result, Dr LEUNG said that quite a number of DC members would consider not to run for office after one or two terms as they might find greater stability and better prospects in other career or professional options.

Setting-up Expenses Reimbursement

13. Ms Starry LEE declared that she was currently a DC member and she supported the funding proposal. Ms LEE asked whether the revised entitlement of the accountable Setting-up Expenses Reimbursement ("SER") would be applicable, retrospectively, to the DC members who had already changed the location of their ward office once in the current term. Ms LEE also suggested that the maximum amount of the accountable SER should be further increased.

14. DDHA explained that the proposed revised SER arrangements would take effect on 1 January 2014 if the funding proposal was approved by FC. However, the new arrangement would not be applicable in respect of ward offices with relocation happened before that date.

Roll-over of OER

15. Noting that under the proposed enhancements, the surplus OER entitlement in one calendar year could be rolled over to the following year until the end of a DC term, Ms Starry LEE asked if flexibility could be allowed so that any amount of expense incurred in a calendar year which exceeded the OER limit of that year could be offset by OER of the following year as long as the total amount of OER in the four-year DC term was not exceeded.

16. DDHA said that only surplus of a member's OER entitlement each year would roll over to the following year until the end of a DC term. OER of a calendar year could not be used to cover any over-spending in a preceding calendar year. He acknowledged that DC members might face funding difficulties. The Administration would keep this matter under review. Notwithstanding the above, a DC member could apply for an advance payment of OER up to a maximum of two months reimbursable amount, which could help DC members to better manage their cashflow requirements when necessary.

Difficulties of DC members in setting up offices

17. Miss CHAN Yuen-han declared that she was a DC member. While she supported the funding proposal, she pointed out that many DC members faced difficulties in finding and setting up ward offices. DC members were not accorded priority in being allocated available office spaces in housing estates or Government buildings.

18. Dr CHIANG Lai-wan echoed other members' views that many DC members especially those in Hong Kong and Kowloon districts, faced

difficulties in meeting office rented expenses. She requested the Administration to adopt more practical and realistic methods to evaluate the needs of DC members.

19. Mr James TO declared that he was a DC member. Mr TO said that the size of the DC member's ward office in public housing developments could be used as a benchmark for other DC members who had to set up ward offices in private premises. Mr TO suggested that if these members could not find a suitable premises with the available OER resources, the Administration should provide extra allowance to top up the amount of OER to enable DC members to meet rental expenses. The extra allowance should also be accountable and would only be used for meeting rental expenditure. DDHA noted member's views.

Needs of DC members to meet legal litigation cost

20. Dr Priscilla LEUNG said that it was not uncommon for a DC member to face legal disputes arising from his public service. Dr LEUNG quoted a case where a DC member had almost used up his savings from his entire political career in just one litigation case and suggested that the Administration should take such a factor into consideration in the future review of DC members' remuneration package.

21. The Chairman instructed that members' speaking time for the second round of questions should not exceed three minutes each, including the Administration's response.

22. Mr James TO pointed out that the case Dr Priscilla LEUNG just quoted involved the validity of the subject DC member's eligibility to run for an election. The case should be distinguished from litigation arising from the performance of a DC member's public service.

23. Dr Priscilla LEUNG commented that not all DC members were law-savvy and it might be possible for a DC member to stumble upon legal disputes out of oversight or otherwise, in the course of performing his duties. Dr LEUNG said that she wished to point out these sorts of circumstances for the Administration's review in future.

24. There being no further question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 5 – FCR(2013-14)39

HEAD 37 – DEPARTMENT OF HEALTH

Subhead 700 General non-recurrent

New Item "Injection to the AIDS Trust Fund"

25. The Chairman advised that the item sought the Committee's approval of an injection of \$350 million into the AIDS Trust Fund in 2013-2014.

26. Dr LEUNG Ka-lau, Chairman of the Panel on Health Services, reported that the proposal was discussed at the Panel meeting held on 28 October 2013. Panel members supported the proposed injection. Panel members expressed concern about the intervention programmes funded by the AIDS Trust Fund for men who have sex with men ("MSM"), and urged the Administration to step up assistance and support to non-governmental organizations in implementing community projects for preventing HIV infections in MSM and other high risk groups. Panel members also requested the Administration to step up publicity and public education activities on AIDS prevention as well as sex education among young people.

27. There being no question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 6 – FCR(2013-14)40

HEAD 156 – GOVERNMENT SECRETARIAT: EDUCATION BUREAU

Subhead 871 Vocational Training Council

New Item "Enhancement of information technology infrastructure and services"

28. The Chairman advised that the item sought the Committee's approval of a new commitment of \$67.218 million for the Vocational Training Council to enhance its information technology infrastructure and services.

29. Dr LAM Tai-fai, Chairman of the Panel on Education, reported that the proposal was discussed at the Panel meeting held on 11 November 2013 and that Panel members did not object in principle to the funding proposal. Dr LAM said that some Panel members had expressed concern about the priority in implementing various measures under the proposal, and whether similar enhancements were being implemented in other publicly-funded tertiary institutions. Some Panel members supported the proposal of enhancing the information technology infrastructure and services in the Vocational Training Council.

30. There being no question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

31. The Chairman declared that the next FC meeting would be held on 20 December 2013.

32. The meeting ended at 5:53 pm.

Legislative Council Secretariat

21 March 2014