

**立法會**  
**Legislative Council**

LC Paper No. FC70/15-16  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(1)

**Finance Committee of the Legislative Council**

**Minutes of the 54<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 26 June 2015, at 3:01 pm**

**Members present:**

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)  
Hon CHAN Kin-por, BBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon LEUNG Yiu-chung  
Hon TAM Yiu-chung, 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 WONG Ting-kwong, SBS, JP  
Hon Cyd HO Sau-lan, JP  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, SBS, JP  
Hon CHAN Hak-kan, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, SBS  
Hon IP Kwok-him, GBS, JP

Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon Steven HO Chun-yin  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Gary FAN Kwok-wai  
Hon MA Fung-kwok, SBS, JP  
Hon Charles Peter MOK, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Alice MAK Mei-kuen, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Helena WONG Pik-wan  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu, JP  
Ir Dr Hon LO Wai-kwok, BBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Dr Hon LAU Wong-fat, GBM, GBS, JP

Hon Emily LAU Wai-hing, JP  
Hon Ronny TONG Ka-wah, SC  
Dr Hon LEUNG Ka-lau  
Hon Kenneth LEUNG  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon CHIANG Lai-wan, JP

**Public officers attending:**

Professor K C CHAN, GBS, JP	Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-ye, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) <sup>1</sup>
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Miss Agnes WONG Tin-yu, JP	Deputy Secretary for Transport and Housing (Housing)
Mr John HUNG Leung-bun	Assistant Director of Housing (Strategic Planning)
Mrs Julie MA LEUNG Lai-fun	Senior Housing Manager (Rent and Special Services), Housing Department
Miss Cecilla LI	Deputy Director of Social Welfare (Administration)
Miss Maria LAU	Assistant Director of Social Welfare (Social Security)
Miss Rita LAU Choi-ha	Chief Social Security Officer (Social Security) 1, Social Welfare Department

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
--------------	-------------------------------

**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1) <sup>5</sup>
Mr Daniel SIN	Senior Council Secretary (1) <sup>7</sup>
Mr Raymond SZETO	Council Secretary (1) <sup>5</sup>

Mr Frankie WOO  
Ms Michelle NIEN  
Miss Yannes HO

Senior Legislative Assistant (1)3  
Legislative Assistant (1)5  
Legislative Assistant (1)6

---

Action

**Chairman's opening remarks and members' queries on the agenda**

The Chairman said that the Administration had proposed on 19 June 2015 to put forward 11 funding proposals that were related to developing the economy and improving people's livelihood to the Finance Committee ("FC") so that FC would deliberate these items before the two items related to the setting up of the Innovation and Technology Bureau ("ITB"). He gathered that members generally accepted the Administration's proposed arrangement so that funding proposals that were pressing and related to people's livelihood could be dealt with as early as possible before the Committee proceeded to examine the items related to the establishment of ITB which were more controversial.

2. Against the above considerations, the Chairman said that he had exercised discretion to allow the 11 items to be included in the agenda of the current meeting despite the fact that the Administration had not given six clear days of notice of the agenda items.

3. The Chairman added that although the discussion papers for the 11 items were sent to the Secretariat in batches over the previous few days and some of them were received rather late, he expected members would still wish to have these items discussed at the meetings scheduled for the day. The Chairman said that as some members might not have sufficient time to go over the discussion papers, he would invite the Administration to give an introduction on them before taking members' questions and would exercise greater flexibility in managing members' questions.

4. Dr KWOK Ka-ki commented that the Administration seemed to have arbitrarily rearranged the order of the agenda items to suit its political ends. He queried whether there was a rational basis for the Administration to prioritize FC agenda items for the Committee's approval. Dr Helena WONG asked about the factors the Administration had considered in reaching the decision to rearrange the agenda items.

5. Secretary for Financial Services and the Treasury advised that the Administration would consider the order of FC agenda items on a case by case basis, taking into account relevant factors including the meeting time available for deliberation by FC and the feasibility of the Committee's being able to complete deliberation of the items within the meeting time available.

6. Mr LEUNG Yiu-chung commented that the livelihood-related proposals, including the current one-off relief measures, on the agenda should have been put forward for the Committee's deliberation much earlier had it not been for the Chief Executive's insistence that the Committee must first approve the items related to the establishment of ITB.

**Item No. 1 – FCR(2015-16)14  
RECOMMENDATIONS OF THE  
PUBLIC WORKS SUBCOMMITTEE MADE  
ON 3 AND 9 JUNE 2015**

7. The Chairman advised that the item invited the Committee to approve the recommendations of the Public Works Subcommittee ("PWSC") made at its meetings on 3 June and 9 June 2015. No PWSC members had requested for any of the proposals to be considered and voted on separately at the FC meeting.

8. The Chairman put the item FCR(2015-16)14 to vote. The Chairman declared that the Committee approved the item.

**Item No. 2 – FCR(2015-16)15  
HEAD 62 – HOUSING DEPARTMENT  
Subhead 700 General non-recurrent  
New Item "Special rent payment for public housing tenants"**

**HEAD 170 – SOCIAL WELFARE DEPARTMENT  
Subhead 700 General non-recurrent  
New Item "Additional provision for social security recipients"**

9. The Chairman advised that the item invited the Committee to approve a new non-recurrent commitment of \$1,146 million for providing one month's rent for lower income tenants living in the public rental units of the Hong Kong Housing Authority ("HA") and the Hong Kong Housing Society ("HKHS"). The item also invited the Committee's approval of a new non-recurrent commitment of \$5,543 million for providing a one-off extra payment to recipients of Comprehensive Social Security Assistance ("CSSA") or Social Security Allowance ("SSA").

10. At the invitation of the Chairman, Miss Alice MAK, Chairman of the Panel on Housing, reported that the Panel had discussed the proposal of providing one month's rent payment for the lower income tenants of HA and

Action

HKHS on 14 April 2015. Miss MAK said that Panel members supported the submission of the proposal to FC for approval. Some Panel members held the view that the Administration should extend the rent payment measure to benefit tenants who were paying additional rent to HA and those living in non-Elderly Person's Flats of HKHS Group B estates. Panel members urged the Administration to make early preparation so as to take forward the rent payment initiative as soon as practicable once the funding application was approved. Some Panel members also suggested the Administration should provide relief measures for public rental housing ("PRH") applicants awaiting flat allocation and those who were ineligible for PRH and who were not able to afford accommodation in the private market.

11. At the invitation of the Chairman, Mr CHEUNG Kwok-che, Chairman of the Panel on Welfare Services, reported that the Panel discussed the proposal of providing one-off extra payment for social security recipients at its meeting on 13 April 2015. Members supported the proposal but were concerned that the Administration had not conducted a detailed review of the social security policies to take into account the social changes and economic growth since 1996. They considered that commodity prices and rents had increased by folds. Mr CHEUNG said that the Panel urged the Administration to initiate a comprehensive review of the CSSA Scheme in the current financial year.

12. The Chairman declared that he was a director of a private elderly home.

13. Mr WONG Kwok-hing, Mr CHEUNG Kwok-che, Mr CHAN Chi-chuen, Dr Helena WONG and Dr LAM Tai-fai welcomed the Administration's initiatives to arrange the livelihood-related funding proposals to be placed before the ITB-related items in the Committee's agenda.

Timing of effecting the proposed one-off relief measures

14. Mr WONG Kwok-hing asked when, at the earliest, the proposed one-off relief measures would take effect upon approval of the item by FC. Deputy Secretary for Transport and Housing (Housing) ("DS(H)") said that if FC approved the funding proposal at this meeting, it was expected that the tenants of HA and HKHS concerned would not be required to pay the rent for the month of August 2015. Deputy Director of Social Welfare (Administration) ("DDSW(A)") advised that, subject to FC's approval of the proposed measure and taking into account the lead time for making adjustments to the Department's computer system, it was estimated that the extra payment could be effected at the end of July 2015.

Action

15. Mr IP Kwok-him supported the one-off relief proposals and urged the Administration to effect the extra payments under the CSSA and SSA Schemes expeditiously. He also appealed to the pan-democrat members to approve the item without delay. Mr IP asked if the lead time for implementing the two one-off relief measures could be further compressed, and by which date all CSSA and SSA recipients would have received the extra payment.

16. DS(H) said that as rent payment for PRH units was due at the beginning of a month and it was now late June, if FC approved the proposal at the current meeting, the earliest time to effect the one month's rent payment proposal would be in August 2015. DDSW(A) advised that all eligible CSSA or SSA recipients would be able to receive the extra payment within four weeks following FC's approval of the item. Department staff had already carried out preparatory work in advance to minimize the lead time.

17. Dr LAM Tai-fai and Mr LEUNG Che-cheung asked why it took more than one month to effect the rent payment measure whereas it took about four weeks to disburse the one-off extra payment of CSSA or SSA.

18. DS(H) explained that the Administration would need to verify the tenancy records of some 700 000 PRH households before implementing the proposed measure as many tenants moved in or out of PRH estates from time to time causing numerous changes to the status of these households. The Administration had already compressed the lead time for implementing the rent payment measure by carrying out as much preparatory work as possible in advance.

19. DDSW(A) supplemented that the Social Welfare Department ("SWD"), likewise, had to check some 1.18 million CSSA / SSA cases before disbursing the one-off extra payment. The Department had already started preparatory work so that payment could be disbursed within four weeks upon FC's approval of the item.

20. Mr LEUNG Kwok-hung was not convinced that the Administration needed four to six weeks to effect the one-off relief measures. He said that the Administration had exaggerated the difficulties.

One month's rent payment for the lower income tenants of the Hong Kong Housing Authority and Hong Kong Housing Society

21. Mr WONG Kwok-hing asked if the Administration would introduce other one-off relief measures such as rent allowance to help those who were

eligible for PRH and were living in private rental accommodation awaiting PRH allocation. Mr CHAN Chi-chuen made a similar query.

22. DS(H) said that PRH applicants awaiting flat allocation would not be able to benefit from this one-off measure. She explained that providing subsidies to these applicants might affect the private rental market and benefit the landlords rather than the tenants.

23. Mr CHAN Chi-chuen argued that as the rent allowance was provided on a one-off and short-term basis, it would unlikely result in pushing up the rent levels or benefiting the landlords.

#### Extension of benefits to Tai Hang Sai Estate residents

24. Mr Frederick FUNG said that tenants of Tai Hang Sai Estate should also be entitled to the one month's rent payment measure as the Estate's developer, the Hong Kong Settlers Housing Corporation Limited, was similar to HKHS as a provider of rental housing, and had helped provide accommodation to some residents of that neighbourhood who were displaced due to redevelopment.

25. DS(H) said that the rent payment proposal was targeted at tenants of public rental housing estates. As Tai Hang Sai Estate was a private housing development, and that the Administration had no access to the income and asset information of the Tai Hang Sai Estate residents to determine their needs and hence eligibility for rental assistance, the one month's rent payment measure would not apply to these tenants.

#### One month's rent payment for the "well-off tenants"

26. Mr LEUNG Yiu-chung noted that in previous years, PRH tenants who were required to pay additional rents (the "well-off tenants") were also eligible for one-off rent payment relief measures. He asked why this category of tenants was not covered under the current proposal.

27. DS(H) explained that the proposed coverage was to address concerns in the community that the Administration should not subsidize the "well-off tenants".

28. Mr WU Chi-wai queried the inconsistency between the Administration's policies in that on the one hand, the "well-off tenants" were excluded from the scope of the one-off rent payment measure whereas on the other, under the rates waiver measure rates were waived for property owners

Action

regardless of the number of properties they held. Mr Frederick FUNG and Mr LEUNG Kwok-hung made similar comments.

29. The Chairman said that Mr WU Chi-wai's question was too far-fetched and impertinent to the proposal under considerations.

30. During his speech, Mr LEUNG Kwok-hung referred to the Financial Secretary as "畜生" in Chinese. Some members complained that Mr LEUNG used offensive and abusive language against officials. The Chairman warned Mr LEUNG not to use such expressions during meetings.

31. Mr James TO queried why the "well-off tenants" would not be offered one month's rent payment. He commented that given the huge fiscal surplus, it was more equitable if all PRH tenants were offered rent payment, although he would accept that the amount of rent relief for the "well-off tenants" might be lower.

32. DS(H) reiterated that the one month's rent payment was a one-off relief measure. The considerations leading to the present proposal were based on views collected during the Budget consultation sessions and the prevailing circumstances, which differed from the considerations behind the previous proposals.

One-off extra payment for social security recipients

33. Mr WONG Kwok-hing asked if a person who became eligible for CSSA or SSA (including the Old Age Living Allowance ("OALA"), Old Age Allowance and Disability Allowance) benefits on the day when FC approved this item, would be entitled to the one-off extra payment. DDSW(A) replied in the affirmative.

Payments to recipients in elderly homes

34. Dr KWOK Ka-ki noted that there were cases where social security payments for elderly recipients living in some elderly homes were held up by the operators of those homes. He asked if the Administration had conducted inspections and investigations into these cases to ensure that the beneficiaries received the payments. Mr CHAN Chi-chuen also suggested that the Administration should step up efforts in investigating alleged embezzlement of social security payments of elderly residents in private elderly homes.

35. DDSW(A) assured members that social security payments would not be credited directly to the accounts of elderly homes. The Administration would remind elderly home operators to observe the Code of Practice for Residential Care Homes (Elderly Persons) ("the Code") issued by SWD in handling the extra payment to elderly beneficiaries living in residential care homes.

36. DDSW(A) added that during their regular inspections of private elderly homes, SWD staff would check how operators handled residents' possessions and inspect bank books of the elderly residents to ensure compliance with the Code.

37. Ms Claudia MO supported the funding proposal and she commented that the financial implications of the proposed measures were not high compared with the scale of cost overruns in a number of public works projects. Ms MO commented that the inspections by SWD staff to elderly homes were ineffective in identifying irregularities about them as operators of elderly homes were aware of the Department's inspection schedule and would get well-prepared for the visits. DDSW(A) responded that all inspections to elderly homes were conducted without prior notice to the operators concerned.

#### Rent allowance for social security recipients

38. Mr Albert HO noted that while CSSA payment included a rent allowance component, the rate was often not sufficient for recipients to cover rental expenses for private accommodations. Mr HO asked if any assistance could be provided to CSSA recipients living in private rental accommodation who had to meet part of the rental expenses with the CSSA standard rate.

39. In response, DDSW(A) said that the maximum rent allowance (MRA) under the CSSA Scheme had been adjusted upwards by 6.7% starting from 1 February 2015. Moreover, rental assistance was provided under the Community Care Fund (CCF) for households in need.

40. Ms Cyd HO commented that the Administration should consider how the resources for relief measures should be distributed among different people in need. Ms HO asked at what stage the Financial Secretary would make the decision on the relief measures to be introduced in the following financial year and what factors he would consider. Ms HO commented that the rent allowance under CSSA was not enough to cover recipients' actual rental expenses for private accommodation, and the Administration should have considered relief measures for these people.

41. DDSW(A) said that the Financial Secretary would look into short, medium and long term macroeconomic conditions in arriving at the relief measures to be introduced. DDSW(A) added that there was an established mechanism to adjust the MRA under the CSSA Scheme every year, and rental assistance was provided under the CCF for households in need.

Review of social security policies

42. Mr LEE Cheuk-yan commented that, while he would not object to the proposals to provide one-off relief measures to help those in need, he considered that the proposed measures would not be sufficient to solve the poverty or income disparity problems in the community. He said that the Administration should put in place effective policies to address the problems faced by those in disadvantaged circumstances.. Mr WONG Yuk-man expressed similar views.

43. Mr LEE Cheuk-yan said that there had not been a major review of CSSA Scheme since 1996 and asked if the Administration would conduct a comprehensive review to determine if the CSSA and SSA Schemes were sufficient to meet the needs of the recipients. Mr CHAN Chi-chuen considered that the current rates of social security assistance payments were not sufficient to meet the needs of the recipients and should be comprehensively reviewed. Ms Claudia MO also commented that the Administration should provide a timetable for a comprehensive review of the social security schemes.

44. Dr Helena WONG commented that the Administration should make use of the huge fiscal surplus and reserve to seriously address fundamental issues such as wealth disparity, housing shortage, provision of adequate medical, elderly and nursery services, etc., rather than doling out piecemeal hand-outs every year.

45. DDSW(A) said that the Administration adjusted the payment rates of the CSSA and SAA Schemes annually according to the Social Security Assistance Index of Prices ("SSAIP"). To maintain the purchasing power of CSSA payments, the expenditure weight of individual categories of goods and services covered by the SSAIP was updated every five years.

46. While he noted that the Administration would review the weightings of goods and services covered by the SSAIP, Mr CHEUNG Kwok-che commented that there were expenditure items (such as Internet service) that were not currently covered under CSSA but should be added in order to reflect more realistically the cost of living. As such, the levels of CSSA were

Action

insufficient to meet the daily needs of recipients and the Administration should expand its coverage.

47. DDSW(A) reiterated that the Administration would regularly review the weightings of the component items of the SSAIP. Assistant Director of Social Welfare (Social Security) said that SWD would look into the spending pattern of CSSA recipients during the five-yearly review and determine whether and how the composition of the SSAIP should be adjusted.

48. The Chairman directed that members' speaking time, including the Administration's response, for the second round of questions should be limited to three minutes each.

49. Mr LEE Cheuk-yan commented that the proposed one-off measures could not help elderly persons and vulnerable groups in the community in the long run. He said that the Administration should review the bases of CSSA and SSA, particularly, OALA.

50. The Chairman reminded Mr LEE Cheuk-yan that his comments were repeating those already made by other members.

51. DDSW(A) responded that OALA is one of the important initiatives to address the issue of elderly poverty and it is more prudent to take account of the outcome of the current discussion on retirement protection in the review of OALA. The public consultation on the subject was expected to be launched in the fourth quarter of 2015.

Other comments

52. Mr Andrew LEUNG said that Members belonging to the Economic Synergy supported the item, as well as other proposals on the agenda. He said that these items would address the different needs of different sectors in the community and he appealed to members to approve the items expeditiously.

53. Mr Frederick FUNG said that the Administration was able to achieve a fiscal surplus that was four times that of the previous financial year. However, the amount of resources that the Administration had earmarked for implementing the one-off relief measures was far less favourable as compared with previous years. Mr FUNG queried whether the Administration's decision was reasonable. DS(H) said that the Administration would look into the scope and objective of each one-off measure on a case-by-case basis taking into consideration the prevailing circumstances.

Action

54. Mr CHAN Kam-lam said that the one-off relief measures had been substantially discussed at the relevant panels and members' queries at the meeting had been raised before and replies had been given. He appealed to members to deliberate the proposals efficiently without further delay.

55. When Mr CHAN Kam-lam was speaking, Mr LEUNG Kwok-hung and Mr Albert CHAN spoke loudly from their seats. The Chairman cautioned them to remain silent. The Chairman warned Mr LEUNG that he would be ordered to leave the meeting room if he persisted in speaking loudly when it was not his turn to speak.

56. Responding to Mr CHAN Kam-lam's remarks, Mr Albert HO and Mr Albert CHAN commented that it was members' duty to scrutinize Government expenditure; it was also members' responsibility to raise questions on funding proposals and express their position.

57. Mr Albert CHAN commented that the proposed one month's rent payment measure would cost \$1,146 million which would benefit several millions of PRH tenants. On the other hand, the Administration offered rates waiver which cost the Administration some \$7.7 billion in revenue forgone to benefit only a few wealthy property owners and large real estate developers. Mr CHAN criticized the Administration for favouring wealthy property owners and developers against the low-income population.

58. Mr Albert CHAN said that the Administration had cut CSSA rates by 11% in 2001. He asked when the Administration would recover the CSSA rate. DDSW(A) said that the CSSA standard payment rates were adjusted according to the SSAIP over the years to cater for any inflationary/deflationary movement.

59. The Chairman declared that the meeting be adjourned and that discussion on the item would continue in the next meeting after a break of ten minutes.

60. The meeting was adjourned at 4:59 pm.