

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 54th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 22 April 2016, at 3:00 pm

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, 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-yee, GBS, JP
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 NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
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 Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
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
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Alvin YEUNG Ngok-kiu

Members absent:

Dr Hon LAU Wong-fat, GBM, GBS, JP
Dr Hon LEUNG Ka-lau

Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon WONG Yuk-man
Hon Alice MAK Mei-kuen, BBS, JP
Hon Tony TSE Wai-chuen, BBS

Public officers attending:

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
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Miss Cecilla LI	Deputy Director of Social Welfare (Administration)
Miss Rita LAU Choi-ha	Chief Social Security Officer (Social Security) 1, Social Welfare Department
Mr John LEE Ka-chiu, PDSM, PMSM, JP	Under Secretary for Security
Ms Mimi LEE Mei-mei, JP	Deputy Secretary for Security
Mr Andrew TSANG Yue-tung	Principal Assistant Secretary for Security (E)
Mr Edwin LAM Man-wing	Assistant Commissioner of Police (Information Systems Wing)
Mr Frankie FONG Yiu-hang	Chief Systems Manager (Information Technology Branch), Hong Kong Police Force
Mr Wyman LEE Wai-man	Acting Chief Superintendent (Crime Support) (Crime Wing), Hong Kong Police Force
Mr Joe CHOW Yat-ming	Acting Chief Superintendent (Crime Headquarters) (Crime Wing), Hong Kong Police Force

Clerk in attendance:

Ms Anita SIT	Assistant Secretary General 1
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Staff in attendance:

Mr Ken WOO	Senior Council Secretary (1)5
Mr Keith WONG	Council Secretary (1)5
Mr Raymond SZETO	Council Secretary (1)6
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

Action

**Item No. 1 – FCR(2016-17)1
RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 3 FEBRUARY AND 31 MARCH 2016**

The Chairman remarked that the item sought the approval of the Finance Committee ("FC") for the recommendations of the Establishment Subcommittee made on 3 February and 31 March 2016. They were as follows –

- (a) Making permanent one post of Administrative Officer Staff Grade C in the Financial Services Branch of the Financial Services and the Treasury Bureau to implement the initiatives to advance financial co-operation with the Mainland and international commitments to strengthen financial regulation and maintain the stability of the financial system; and
- (b) Creation of two supernumerary posts of one Consultant and one Principal Medical and Health Officer in the Department of Health for three years to head the new Office for Regulation of Private Healthcare Facilities ("ORPHF") and Planning and Development Section under the ORPHF, respectively.

Voting on FCR(2016-17)1

2. There being no questions from members on the item, the Chairman put the item to vote. The Chairman considered that the item was supported by a majority of the members voting and declared that the Committee approved the item.

Item No. 2 – FCR(2016-17)2

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 17, 29 FEBRUARY AND 16 MARCH 2016**

3. The Chairman said that the item sought the Committee's approval for the recommendations of the Public Works Subcommittee on public works programme and capital subvention projects made at its meetings on 17, 29 February, and 16 March 2016. They were as follows:

- (a) The upgrading of 177TB to Category A at an estimated cost of \$130.1 million in money-of-the-day ("MOD") prices for the construction of a footbridge link at Sau Ming Road, Kwun Tong;
- (b) The upgrading of 83TI to Category A at an estimated cost of \$108.2 million in MOD prices for the construction of a public transport interchange and associated works at Pak Wan Street, Sham Shui Po; and
- (c) The upgrading of part of 86MM "Extension of Operating Theatre Block for Tuen Mun Hospital" as 90MM, entitled "Extension of Operating Theatre Block for Tuen Mun Hospital — substructure and utilities diversion works" to Category A at an estimated cost of \$167.2 million in MOD prices; and the retention of the remainder of 86MM in Category B.

The Chairman reminded members that as they could speak, propose motions and vote on discussion items, as required by the Rules of Procedure, if they had any pecuniary interest, whether direct or indirect, in the items under discussion at this meeting, they should declare the nature of interest before speaking. But Rule 83A of the Rules of Procedure that required members to declare interests was not applicable to the member who chaired the meeting and would not ask any questions. The Chairman also remarked that in order to dispel doubts, he declared his interest as a consultant of the Munich Reinsurance Company and he did not have any pecuniary interest, whether direct or indirect, in the item to be discussed.

4. Mr Albert CHAN said that he had repeatedly requested the Chairman to declare his interest at the meetings concerned but the Chairman had ignored his requests. He asked why the Chairman had declared his interest in today's meeting. Mr LEUNG Kwok-hung also opined that the Chairman's move was unusual. The Chairman replied that he had declared his interest in the hope of avoiding a waste of meeting time to deal with the issue of whether a chairman should declare his or her interest.

Voting on FCR(2016-17)2

5. There being no questions from members on the item, the Chairman put the item to vote. The Chairman considered that the item was supported by a majority of the members voting and declared that the Committee approved the item.

Item No. 3 – FCR(2016-17)3

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 – General non-recurrent

New Item – "Additional provision for social security recipients"

6. The Chairman said that this item sought members' approval of a new non-recurrent commitment of \$2,821 million for providing a one-off extra payment to recipients of:

- (a) Comprehensive Social Security Assistance ("CSSA"), equal to one month of the CSSA standard rates; and
- (b) Social Security Allowance ("SSA"), equal to one month of Old Age Allowance (including those payable under the Guangdong Scheme), Old Age Living Allowance and Disability Allowance.

The provision of the proposed payment was subject to the passage of the Appropriation Bill 2016. The Labour and Welfare Bureau consulted the Panel on Welfare Services on 11 April 2016 about the proposal. At the request of the Chairman, Mr CHEUNG Kwok-che, Chairman of the Panel, gave members a briefing on this matter. He said that the Panel discussed the funding proposal on 11 April 2016 and passed a motion that requested the Administration to earmark provisions under the 2016-2017 Budget for the initiative to provide social security recipients with an extra allowance equivalent to two months of the standard rate CSSA payments or allowance payments under the SSA Scheme. The funding proposal submitted by the Administration was supported by a majority of the members of the Panel. But a member opined that the Administration had the obligation to respond to the abovementioned motion first, before the Panel decided whether or not to approve the funding proposal. The motion to approve the Administration's funding proposal was eventually passed in the Panel with three members voting for it and one against it.

Time for the provision of the extra payments

7. Mr WONG Kwok-hing expressed his support for the funding proposal. He enquired when the extra payments would be provided to their recipients if the Administration obtained funding approval from the Finance Committee. Mr TAM Yiu-chung also hoped that the Administration would provide the recipients with the extra payments as soon as possible. The Deputy Director of Social Welfare(Administration) replied that all recipients who were eligible for social security benefits at the time when this funding proposal was approved would be entitled to the extra payments. The authorities would provide them with the payments after the passage of the Appropriation Bill 2016 in the Legislative Council. It was estimated that the payments would be made in early June.

Embezzlement of the extra payments by residential care homes

8. Both Mr WONG Kwok-hing and Mr LEUNG Kwok-hung requested the Administration to unveil details of its measures to prevent the additional payments from being embezzled by residential care homes for the elderly ("RCHEs"). The Deputy Director of Social Welfare(Administration) said that the Code of Practice for Residential Care Homes (Elderly Persons) forbade RCHEs to draw on the additional payments granted to their recipients for subsidising their home fees. The authorities would also remind all RCHEs in writing that those additional payments were properties of their recipients and should not be used to pay home fees. Unannounced inspections of RCHEs would be carried out to see how their residents were charged.

Amount of the extra payment

9. Mr LEUNG Kwok-hung, Mr Frederick FUNG, Mr CHAN Chi-chuen, Mr LEE Cheuk-yan and Mr Albert CHAN were all disappointed at the Administration's refusal to provide social security recipients with extra allowance equal to two months of the standard rate CSSA payments or allowance payments under the SSA Scheme. They pointed out that the Administration provided them with two months of such payments in the last year. It was expected that Hong Kong economy would get worse in this year. The amount of the Government's fiscal surplus for this year was similar to that of the previous year. It was inappropriate for the Administration to deviate from last year's practice. They were also dissatisfied with the Administration's failure to consider the motion passed by the Panel on Welfare Services on 11 April 2016, which called upon it to provide social security recipients with an additional payment equal to two months of the assistance payments.

10. The Deputy Director of Social Welfare(Administration) said that the Administration was cognizant of the motion passed by the Panel on Welfare Services. However, the Financial Secretary had to take into account a myriad of factors when drawing up this year's Budget. She added that the provision of additional payments was a one-off measure. The authorities hoped to help the grass roots by increasing recurrent financial assistance. This financial year saw an increase of \$7.8 billion in the recurrent expenditure on social welfare over the previous year. There was also an 8.3% increase in the recurrent expenditure on social security, which the Government believed would benefit the grass roots. The Permanent Secretary for Financial Services and the Treasury (Treasury) added that the Financial Secretary had fully considered the aspirations and demands from various parties when formulating this one-off relief measure in the Budget.

Review of the adjustment mechanism for assistance payments

11. Mr CHEUNG Kwok-che, Dr KWOK Ka-ki and Mr TAM Yiu-chung asked when the Administration would conduct a comprehensive review of the adjustment mechanism for assistance payments, including details of the CSSA Scheme and the asset limits for the Old Age Living Allowance. Mr LEE Cheuk-yan also pointed out that the amounts of assistance payments had always been inadequate to cover the basic living expenses of their recipients. He urged the authorities to get a better understanding of the daily basic needs of CSSA recipient families.

12. The Deputy Director of Social Welfare (Administration) replied that the authorities would adjust the CSSA payment rates in accordance with the established mechanism. It included making reference to the findings reflected by the Social Security Assistance Index of Prices and the data collected from the Household Expenditure Survey on CSSA Households (which was conducted once every five years) in determining the shares of expenditure of CSSA families in various areas of daily living, so as to set an appropriate safety-net level. The authorities considered that the existing mechanism was effective and the level of payment was adequate to enable grass roots families to maintain a basic standard of living. The authorities had no plan to conduct a comprehensive review on the mechanism.

13. Both Ms Cyd HO and Dr Fernando CHEUNG said that the current rents of subdivided flats were very high. The amounts of rent allowance payable under the CSSA Scheme were inadequate to cover the rental expenses of recipient families. The authorities should review the adjustment mechanism for the rent allowance, including taking into consideration rent levels in

different districts, so as to gain a more accurate picture of the actual burden of the recipient families living in different districts.

14. The Deputy Director of Social Welfare (Administration) said that the rates of rent allowances had seen a cumulative increase of 37% over the past few years. If the one-off living subsidy provided by the Community Care Fund was also taken into account, less than 40% of the recipient families living in private housing were paying a rent that exceeded the maximum limit of the rent allowance under the CSSA Scheme. She added that it was appropriate to provide one-off subsidy through the Community Care Fund to help recipient families cope with periodic rental increases. If the authorities fully subsidized the rental expenditure of CSSA recipient families, it might lead to a rise in market rents, thus affecting non-CSSA-recipient tenants. Therefore, the Administration had to be very cautious in handling the issue of rent allowance.

Other allowances

15. Dr KWOK Ka-ki said that some of the chronic child diseases, such as thalassemia and attention deficit/hyperactivity disorder, did not display obvious symptoms. These children were often not eligible for disability allowance if they were assessed according to the Government's established mechanism for assessing disabled children, which assessed the levels of disability on the basis of disabling physical conditions. He urged the Administration to review the mechanism for approving disability allowance for children and that for the grant of dental treatment.

16. The Deputy Director of Social Welfare(Administration) responded that when children applied for disability allowance, their levels of disability would be comprehensively assessed by doctors. There was not a list of specific diseases that would make a person eligible for the allowance or not. In this regard, doctors were entrusted to make suitable assessments based on their professional judgement. She added that the Government had put in place a number of measures to support children with special needs. The spending on rehabilitation services for children was also significantly increased in the Budget for the new financial year. She also pointed out that according to the current policy, only people in need, such as the elderly people and people with disabilities, were eligible for subsidized dental services.

The Administration's Policies on Poverty Alleviation

17. Dr Fernando CHEUNG, Mr Albert HO and Ms Claudia MO enquired whether the Administration had other policies on poverty alleviation to narrow the disparity between the rich and the poor, including helping the elderly people

and people with disabilities who lived below the poverty line, in addition to the one-off measure. The Deputy Director of Social Welfare (Administration) replied that the Administration was conducting a public consultation on the way forward for retirement protection. At present, various social security schemes were in place for the elderly people, including the Old Age Living Allowance, which were believed could help the elderly people meet their financial needs. She added that the Government wanted to help the people in financial need through recurrent expenditure. The year 2016-2017 saw an increase of \$3.2 billion in recurrent expenditure on social security, as compared to that for 2015-2016.

18. Mr CHAN Kam-lam was of the opinion that how the Administration should formulate an appropriate social welfare policy was not directly related to the funding proposal in question. It was inappropriate for members of the Finance Committee to discuss the overall policy on poverty alleviation in its meeting because it was nothing more than an attempt to prolong the meeting.

Motion proposed under paragraph 37A of the Finance Committee Procedure

19. The Chairman put to vote the question that the motion proposed by Mr CHAN Chi-chuen numbered [0001](#) be proceeded forthwith. As requested by members, the Chairman ordered a division for the proposed motion and the division bell was rung for five minutes. With the agreement of the Chairman, Mr CHAN Chi-chuen read out the proposed motion during the ringing of the division bell. The Chairman announced that 16 members voted in favour of and 20 members voted against the question. The votes of individual members were as follows –

For:

Mr LEE Cheuk-yan
Prof Joseph LEE Kok-long
Mr CHEUNG Kwok-che
Mr Albert CHAN Wai-yip
Mr WU Chi-wai
Mr CHAN Chi-chuen
Dr Fernando CHEUNG Chiu-hung
Mr IP Kin-yuen
(16 members)

Mr Hon Frederick FUNG Kin-kee
Ms Cyd HO Sau-lan
Mr LEUNG Kwok-hung
Ms Claudia MO
Mr Gary FAN Kwok-wai
Dr KWOK Ka-ki
Dr Helena WONG Pik-wan
Alvin YEUNG Ngok-kiu

Against:

Mr CHAN Kam-lam	Mr TAM Yiu-chung
Mr Tommy CHEUNG Yu-yan	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr IP Kwok-him	Mr James TIEN Pei-chun
Mr Steven HO Chun-yin	Mr Frankie YICK Chi-ming
Mr YIU Si-wing	Mr MA Fung-kwok
Mr LEUNG Che-cheung	Mr Christopher CHEUNG Wah-fung
Dr Elizabeth QUAT	Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok	Mr CHUNG Kwok-pan
(20 members)	

20. The Chairman declared that the motion proposed by Mr CHAN Chi-chuen was negated.

Voting on FCR(2016-17)3

21. The Chairman put the item to vote. The Chairman considered that the item was supported by a majority of the members voting and declared that the Committee approved the item.

**Item No. 4 – FCR(2015-16)34
CAPITAL WORKS RESERVE FUND**

HEAD 710 – COMPUTERISATION

Hong Kong Police Force

Replacement of the Infrastructure Platform for the Police Operational Nominal Index Computer System and the Criminal Intelligence Computer System

22. The Chairman said the Committee would continue the deliberation of item FCR(2015-16)34, which was discussed at the meetings on 22 and 30 January 2016 but the deliberation was not completed. This item invited members to approve a new commitment of \$81,672,000 for the replacement of an obsolete infrastructure platform that supported Hong Kong Police Force's computer systems.

23. Mr CHAN Kam-lam said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported this funding proposal and hoped that the adoption of the latest system would enable the Police Force to enhance its work efficiency. He was worried that the delay in the scrutiny of

this funding proposal in the Committee for several months would lead to a rise in the costs of the project. He was also worried that the new system would not be able to commence operation when the existing system reached the end of its lifespan in 2017.

24. The Under Secretary for Security responded that the timetable for system replacement had been affected by the progress of the deliberation of the Committee. In order to make up for the lost time, the authorities had assigned four designated officers to oversee this project and planned to divide the new system project into smaller packages and invite tenders for them individually. But this would affect the Police Force's manpower arrangements and some tendering procedures might be repeated, which was unsatisfactory in terms of operational efficiency. He added that the maintenance contract for the old system would expire in 2017. At that time, spare parts might not be available for maintenance support. Therefore, the authorities were actively searching for spare parts now. Nevertheless, maintenance cost might still increase.

25. Mr Jeffrey LAM said that the Business and Professionals Alliance for Hong Kong supported the funding proposal. He asked whether the Police Force's work would be affected if its communications system was deficient or outdated. The Under Secretary for Security responded that the funding proposal under scrutiny was not related to the communications system. The authorities would seek funding approval from the Finance Committee for the replacement of the communications system later.

26. Mr WONG Ting-kwong enquired whether the new system would be linked up to the relevant systems of other police forces around the world, so as to facilitate intelligence gathering to prevent terrorist attacks in Hong Kong. The Under Secretary for Security responded that the new system would be instrumental in the Police Force's criminal intelligence analysis, including preparations against terrorist attacks. He added that the new system was an efficient tool for establishing correlations between backgrounds of criminals and conducting analyses of them. It could also be used to analyze images on social media. It was estimated that the computing capabilities, capacity and supportability of the system could meet the Police Force's analytical needs in the next 10 years, which was the norm by international standards.

27. At 4:58 pm, the Chairman declared that the meeting be adjourned and the Committee would continue deliberation on the item at the next meeting scheduled for the same day.

28. The meeting was adjourned at 4:58 pm.

Legislative Council Secretariat

14 September 2016