

**立法會**  
***Legislative Council***

LC Paper No. FC309/15-16

(These minutes have been  
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**Finance Committee of the Legislative Council**

**Minutes of the 59<sup>th</sup> meeting  
held at Conference Room 1 of the Legislative Council Complex  
on Friday, 6 May 2016, at 5:10 pm**

**Members present:**

Hon CHAN Kin-por, BBS, JP (Chairman)  
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon James TO Kun-sun  
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 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 WONG Kwok-kin, SBS  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip  
Hon WONG Yuk-man

Hon Michael TIEN Puk-sun, BBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon Gary FAN Kwok-wai  
Hon Charles Peter MOK, JP  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon KWOK Wai-keung  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Hon IP Kin-yuen  
Hon TANG Ka-piu, JP  
Dr Hon CHIANG Lai-wan, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS  
Hon Alvin YEUNG Ngok-kiu

**Members absent:**

Hon LEE Cheuk-yan  
Hon LEUNG Yiu-chung  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon IP Kwok-him, GBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon Claudia MO  
Hon James TIEN Pei-chun, GBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon Frankie YICK Chi-ming, JP  
Hon MA Fung-kwok, SBS, JP  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan, JP  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki

Hon Dennis KWOK  
Dr Hon Helena WONG Pik-wan  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Hon CHUNG Kwok-pan  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

**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) <sup>1</sup>
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ir Allen YEUNG Tak-bun	Government Chief Information Officer
Mr John LEE, PDSM, PMSM, JP	Under Secretary for Security
Mr Andrew TSANG Yue-tung	Principal Assistant Secretary for Security (E)
Mr Dennis CHING Chung-cham	Assistant Secretary for Security (E1)
Mr Edwin LAM Man-wing	Assistant Commissioner of Police (Information Systems Wing)
Mr Donnie CHOY Yuk-kwong	Chief Superintendent (Crime Support) (Crime Wing), Hong Kong Police Force
Mr Joseph AU Chin-chau	Chief Superintendent (Police Public Relations Branch)(Support Wing), Hong Kong Police Force
Mr Henry TAM Chak-hang	Chief Superintendent (Support Branch) (Support Wing), Hong Kong Police Force
Mr Frankie FONG Yiu-hang	Chief Systems Manager (Information Technology Branch)(Information Systems Wing), Hong Kong Police Force
Ir Dr Jolly WONG Chun-kau	Chief Telecommunications Engineer (Communications Branch)(Information Systems Wing), Hong Kong Police Force
Mr Niki CHOW Chun-fung	Senior Superintendent (Support Branch)(Support Wing), Hong Kong Police Force

Ms Monica AU YEUNG Mun-yee	Superintendent (Licensing Office) (Support Wing), Hong Kong Police Force
Mr Desmond CHU Hing-keung	Acting Superintendent (Criminal Records Bureau)(Crime Wing Headquarters), Hong Kong Police Force
Ir Diana CHAN Wing-yan	Senior Telecommunications Engineer (Communications Branch)(Information Systems Wing), Hong Kong Police Force
Ms Cammy LAI Hoi-fung	Senior Management Services Officer A (Corporate Services Division) (Information Systems Wing), Hong Kong Police Force
Ms Mimi LEE, JP	Deputy Secretary for Security (1)
Ms Iris LEE	Principal Assistant Secretary for Security (A)
Mr Huggin TANG	Assistant Secretary for Security (A2)
Ms Louise HO	Assistant Commissioner of Customs and Excise (Intelligence and Investigation)
Mr Alan CHENG	Senior Systems Manager (Information Technology Management Group 2), Customs and Excise Department
Mrs Helen CHAN, JP	Government Economist
Mr Andrew AU, JP	Principal Economist (1), Financial Secretary's Office
Ms Reddy NG, JP	Principal Economist (5), Financial Secretary's Office
Ms Kitty CHOI, JP	Director of Administration

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1)5
Mr Raymond SZETO	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

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Action

**Item No. 4 – FCR(2016-17)13**

**CAPITAL WORKS RESERVE FUND**

**Hong Kong Police Force**

**HEAD 710 – COMPUTERISATION**

**New Subhead – "Replacement and Upgrade of the Information Technology Infrastructure and Applications of the Hong Kong Police Force"**

**HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

**New Subhead – "Replacement of the Command and Control Communications System of the Hong Kong Police Force"**

The Committee continued the deliberation on agenda item FCR(2016-17)13. As members raised no further question, the Chairman put the item to vote.

2. The Chairman declared that the Committee approved the item.

**Item No. 5 - FCR(2016-17)14**

**CAPITAL WORKS RESERVE FUND**

**HEAD 710 – COMPUTERISATION**

**Customs and Excise Department**

**New Subhead - "Customs and Excise Information and Risk Management System"**

3. The Chairman advised that this item invited members to approve a new commitment of \$37,954,000 for the development of the Customs and Excise Information and Risk Management System of the Customs and Excise Department.

4. The Security Bureau consulted the Panel on Security of the Legislative Council on the recommendation on 2 February 2016.

5. As members raised no question, the Chairman put the item to vote.

6. The Chairman declared that the Committee approved the item.

**Item No. 6 - FCR(2016-17)15**

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE  
MADE ON 29 FEBRUARY 2016**

**EC(2015-16)14**

**HEAD 142 - GOVERNMENT SECRETARIAT: OFFICES OF THE  
CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL  
SECRETARY**

**Subhead 000 - Operational expenses**

**Item No. 7 - FCR(2016-17)16**

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE  
MADE ON 2 MARCH 2016**

**EC(2015-16)13**

**HEAD 142 - GOVERNMENT SECRETARIAT: OFFICES OF THE  
CHIEF SECRETARY FOR ADMINISTRATION AND THE FINANCIAL  
SECRETARY**

**Subhead 000 - Operational expenses**

7. The Chairman advised that agenda item FCR(2016-17)15 was to seek approval from the Finance Committee ("FC") for the recommendation of the Establishment Subcommittee made at its meeting held on 29 February 2016, i.e. the recommendation made in EC(2015-16)14, to retain a supernumerary Principal Economist ("Pr Econ") post in the Economic Analysis Division ("EAD") of the Economic Analysis and Business Facilitation Unit ("EABFU") under the Financial Secretary's Office for a period of three years, so as to strengthen support at the directorate level in enhancing the economic analytical and research capacity in the policy areas of population, poverty and welfare. Some members requested separate voting for the recommendation at the FC meeting.

8. Mr WONG Yuk-man and Mr Albert HO were concerned about the work priorities and direction of the supernumerary Pr Econ post ("supernumerary post"). Mr Albert HO argued that the supernumerary post should work on three issues, namely resolving the problems of poverty, disparity between the rich and the poor and stagnant social mobility; formulate objectives to combat poverty on the basis of the information as reflected by the poverty line; and studies the basic needs for living with dignity with reference to the International Covenant on Economic, Social and Cultural Rights, with a view to allowing the Administration to review the inadequacy of its welfare policy and seek improvements. Dr Fernando CHEUNG enquired how

economic analyses could enable the supernumerary post to improve the problems of disparity in wealth distribution, poverty among individual social classes (such as ethnic minorities) and lack of opportunities for upward social mobility for young people. Mr LEUNG Kwok-hung expressed concern about the tendency of poverty among the elderly population. Mr Albert CHAN and Mr LEUNG Kwok-hung were of the view that the poverty alleviation work of the Administration was ineffective.

9. In response, Government Economist ("G Econ") advised that the supernumerary post would be responsible for conducting economic analyses on the areas of population, poverty alleviation and welfare policy. Detailed poverty data analyses had been conducted since the establishment of the official poverty line in 2013, which allowed the Government to master more information about the forms and manners by which poverty was manifested and their underlying causes, and give policy steers to the Administration for formulation of poverty alleviation policies. An example was the Low-income Working Family Allowance Scheme, which was designed on the basis of the objective analyses of the poverty situation reports and aimed to relieve the burden on low-income working families by encouraging self-reliance and granting more allowance to those working more. The supernumerary post would also be responsible for overseeing the study on the earnings mobility of recent post-secondary graduates from grass-roots families, as well as topical studies on the forms of poverty among ethnic minorities, the disabled, new arrivals and single-parent families.

10. G Econ pointed out that, regarding the future work arrangements, the holder of the supernumerary post would further conduct in-depth analysis of the expenditure pattern of the poor or low-income households (including the expenditure pattern of the elderly) based on the latest Household Expenditure Survey with a view to identifying social groups in need of care, examining the underlying causes of their poverty, and determining whether there were changes in the forms of their poverty. Furthermore, in 2017, the holder of the post would, on the basis of the results of the 2016 Population By-census which was to be conducted soon, examine the income conditions of various groups and strata subsequent to the introduction of statutory minimum wage ("SMW"), with a view to determining whether income disparity had narrowed over the past five years. That would be one of the future work priorities of the supernumerary post.

11. Ms Emily LAU believed that the outsourcing policy of the Administration was one of the causes of the problem of working poverty. Mr Tommy CHEUNG opined that the introduction of minimum wage had made it even harder for small and medium enterprises to carry on their businesses.

12. G Econ pointed out that a dedicated team formed under EABFU was responsible for providing economic research and analyses to the Minimum Wage Commission ("MWC") and supporting MWC to review and make recommendations on the SMW rate based on an evidence-based approach, with a view to safeguarding low-income employees and improving treatment of the employees. She advised that where necessary, EABFU would, at the request of relevant government departments, provide economic assessments and analytical support in respect of the outsourcing policy. In response to the remark of Mr Tommy CHEUNG, G Econ advised that the Government had been mindful of the impact of introduction of SMW on small and medium enterprises and their ability in coping with SWM. EABFU had been conducting impact assessments on SMW in light of the functions and analytical needs of MWC by striking an appropriate balance between the objectives of forestalling excessively low wages and minimizing the loss of low-paid jobs while maintaining Hong Kong's economic growth and competitiveness in an impartial manner based on objective data. At the request of MWC, assessments had been made on the possible ripple effects of an increased SMW rate.

13. At 6:03 pm, the Chairman advised that the two funding proposals FCR(2016-17)15 and FCR(2016-17)16 were submitted by the Administration to FC for retention and creation of posts in EABFU. The Chairman suggested combined discussion and separate voting of the two proposals. Members agreed to the suggestion of combined discussion.

14. The Chairman advised that agenda item FCR(2016-17)16 was to seek approval from FC for the recommendations of the Establishment Subcommittee made at its meeting held on 2 March 2016, i.e. the recommendations made in EC(2015-16)13, including the creation of a new rank and permanent post of Government Economist (D5) and the deletion of the existing rank and permanent post of Government Economist (D4) as an offset; and the creation of a new rank and permanent post of Deputy Government Economist (D3), so as to strengthen directorate support in EABFU under the Financial Secretary's Office. Some members requested separate voting for the recommendations at the FC meeting.



15. Mr WU Chi-wai enquired whether EABFU's research findings would be made available to the public and whether the public could obtain the raw data used for research purposes. G Econ replied that the relevant macroeconomic analyses and data had always been publicly available in a transparent manner. For instance, during the past five years, as many as 150 topical research papers on broad direction of macro-economy and relevant topical issues had been compiled by EABFU and all of them were available for public access on EABFU's website. The public could also request the raw data used for compiling those papers from EABFU as long as the data requested did not contain personal privacy and sensitive information. G Econ added that for data originating from other policy bureaus or departments, the public had to direct their request to the policy bureaus or departments concerned.

16. Ms CHAN Yuen-han and Mr TANG Ka-piu expressed support for the funding proposals. Ms CHAN suggested inclusion of social factors as consideration in EABFU's researches. While appreciating Ms CHAN's concern, G Econ advised that there were difficulties in conducting quantitative analysis involving social factors at the present stage. On the one hand, such researches would be beyond the scope of economic analysis. On the other hand, the data involved were very complicated. For instance, analysis on relationship between health status and working hours of employed persons and their medical expenditures would normally require long-term collection of data, which could also involve other personal factors (such as living habits). Nevertheless, if policy bureaux or relevant committees considered it necessary to conduct assessments in that aspect in the future, EABFU might, with the support of objective data, provide technical support under relevant analytical framework. G Econ further advised that in the experience of the Standard Working Hours Committee, qualitative views were no less important than results of quantitative analyses. As evident from the newly published consultation document on working hours policy directions, there was no shortage of discourse on social factors in the document.

17. Mr TANG Ka-piu expressed concerned on the direction of EABFU's research on abolition of the offsetting arrangement under the Mandatory Provident Fund. Dr CHIANG Lai-wan expressed concern about mismatches in human resources. G Econ advised that it took time for EABFU to collate and consolidate information for Mr TANG's enquiry. Upon completion of the above-mentioned study on earnings mobility of recent post-secondary graduates from grass-roots families, EABFU had submitted the recommendations to relevant policy bureaux, and it would soon release a study report. On the other hand, EABFU would continue to enhance its work regarding analyses of manpower demand in different sectors.

[*Post-meeting note*: The Administration advised after the meeting that the 2015 Study on Earnings Mobility had been published on 20 May 2016. The information paper had been uploaded to the website of the Commission on Poverty (<http://www.povertyrelief.gov.hk/>).]

Motion to adjourn the discussion on FCR(2016-17)15

18. At 6:59 pm, Mr LEUNG Kwok-hung moved without notice a motion under paragraph 39 of the Finance Committee Procedure to adjourn the discussion on FCR(2016-17)15. The Chairman proposed the question on the motion to adjourn the discussion and directed that each member, when speaking on the question, could speak once for not more than three minutes.

19. Mr LEUNG Kwok-hung introduced his motion and expressed his dissatisfaction over the welfare policy. Mr Albert CHAN spoke in support of the motion.

20. As there were members who still wished to speak in respect of the motion to adjourn the discussion and the agenda item, the Chairman directed that members could continue discussion at the next meeting. The Chairman declared that the meeting be now adjourned.

21. The meeting ended at 7:10 pm.

Legislative Council Secretariat  
14 September 2016