

**立法會**  
**Legislative Council**

LC Paper No. FC12/13-14  
(These minutes have been  
seen by the Administration)

Ref : CB1/F/1/2

**Finance Committee of the Legislative Council**

**Minutes of the 32<sup>nd</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 7 June 2013, at 4:30 pm**

**Members present:**

Hon Tommy CHEUNG Yu-yan, SBS, JP (Chairman)

Hon Emily LAU Wai-hing, 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

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

Hon TAM Yiu-chung, GBS, JP

Hon Abraham SHEK Lai-him, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, MH

Dr Hon Joseph LEE Kok-long, SBS, JP

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Ronny TONG Ka-wah, SC

Hon Cyd HO Sau-lan

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Hon CHAN Hak-kan, JP

Hon CHAN Kin-por, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, JP

Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, BBS  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, 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 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  
Hon CHAN Chi-chuen  
Hon CHAN Han-pan  
Dr Hon Kenneth CHAN Ka-lok  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
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  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon Martin LIAO Cheung-kong, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Dr Hon CHIANG Lai-wan, 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

**Members absent:**

Hon Frederick FUNG Kin-kee, SBS, JP

Dr Hon LEUNG Ka-lau

Hon Paul TSE Wai-chun, JP

Hon James TIEN Pei-chun, GBS, JP

**Public officers attending:**

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) 1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms CHANG King-yiu, JP	Permanent Secretary for Constitutional and Mainland Affairs
Mr Daniel CHENG Chung-wai, JP	Deputy Secretary for Constitutional and Mainland Affairs (3)
Ms Noel TSANG Fung-yi	Principal Assistant Secretary for Constitutional and Mainland Affairs (8)
Mr YAU Shing-mu, JP	Under Secretary for Transport and Housing
Ms Rebecca PUN Ting-ting, JP	Deputy Secretary for Transport and Housing (Transport) 1
Mr Edward TO	Principal Assistant Secretary for Transport and Housing (Transport) 5
Ms CHAN Hoi-ming	Project Director (2), Architectural Services Department
Mr YIU Wai-keung	Chief Project Manager 203, Architectural Services Department
Mrs Joanna KWOK	Project Manager (Major Works), Highways Department
Mr TAO Kei-hung	Deputy Project Manager (Major Works) 1, Highways Department
Mr YEUNG Kong-sang	Chief Engineer, (Railway Development) 1-3, Highways Department

Mr Abraham CHENG Kwok-hung	Chief Superintendent (Planning and Development), Hong Kong Police Force
Mr Tommy YU Tat-chung	District Commander (Yau Tsim), Hong Kong Police Force
Miss Agnes WONG Tin-yu, JP	Deputy Secretary for Transport and Housing (Housing)
Mr Anson LAI Yat-ching	Assistant Director of Housing (Strategic planning)
Mr Tony LIU King-leung	Assistant Director of Housing (Estate Management) 3
Ms Shirley LAU Fung-ye, JP	Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (H)
Mr FUNG Pak-yan, JP	Deputy Director of Social Welfare (Administration)
Mr NG Wai-kuen	Chief Social Security Officer (Social Security) 1, Social Welfare Department

**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	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)7

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**Item No. 1 – FCR(2013-14)12  
RECOMMENDATIONS OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 15 MAY 2013**

The Chairman advised that the item sought the Committee's approval of the recommendations of the Establishment Subcommittee (ESC) made at its meeting on 15 May 2013. The Subcommittee had recommended that the items EC(2013-14)2 should be considered and voted on separately at the Finance Committee (FC) meeting.

2. The Chairman put the remaining items in FCR(2013-14)12 to vote. The Committee approved the funding proposal.

## **EC(2013-14)2**

### **HEAD 144 – GOVERNMENT SECRETARIAT : CONSTITUTIONAL AND MAINLAND AFFAIRS BUREAU**

3. The Chairman advised that the item sought the Committee's approval of the creation of a permanent post of Administrative Officer Staff Grade B and the retention of a supernumerary post of Administrative Officer Staff Grade C for three years in the Constitutional and Mainland Affairs Bureau (CMAB) with effect from 1 July 2013.

#### Functions of and justifications for Mainland Offices

4. Dr KWOK Ka-ki had reservations on the staffing proposal. He said that the Trade Development Council (TDC) and the Hong Kong Tourism Board (HKTB) had set up representative offices in the Mainland. Many of their functions overlapped with those of the Mainland Offices. Dr Helena WONG made similar observations. Dr KWOK commented that the proposed posts should not be created or retained just to satisfy the Chief Executive's wish to promote "homeland relationship" with Mainland provinces and municipalities. He questioned what significant functions that the proposed directorate posts performed.

5. Permanent Secretary for Constitutional and Mainland Affairs (PSCMA) said that the offices of the HKSAR Government (HKSARG), and the statutory TDC as well as HKTB had different roles and functions. TDC was operating 11 offices in the Mainland to promote trade interests and facilitate Hong Kong enterprises to explore better business opportunities. They also organized trade fairs and trade promotion activities. HKTB had set up four offices in the Mainland to promote Hong Kong's tourism. On the other hand, the Mainland Offices of the HKSARG would focus on strengthening Government-to-Government (G2G) co-operation to broaden and deepen regional co-operation, providing essential services and assistance to Hong Kong residents and groups in the Mainland, and promoting the strengths and image of Hong Kong. The two directorate posts would continue to co-ordinate and support the Mainland Offices of the HKSARG in discharging these functions. She added that as announced in the 2013 Policy Address, the Administration would study ways to enhance the working relationship between the Mainland Offices, TDC and HKTB, with a view to optimizing their synergy and effectiveness.

## Target clients of Mainland Offices

6. Ms Claudia MO said that she found the Chief Executive (CE)'s idea of promoting "homeland relationship" a rather novel concept when it was first mentioned a few years ago. Ms MO did not find it appealing now, and she commented that the two proposed directorate posts were only designed to strengthen CE's ruling power.

7. Ms Claudia MO asked whether the Mainland Offices of the HKSARG were serving the needs of Hong Kong people in the Mainland at all. If so, Ms MO asked about a breakdown of clients served by the Mainland Offices, and whether Hong Kong people were given priority when they approached the Mainland Offices for assistance.

8. Ms Claudia MO further queried the need to promote Hong Kong's inbound tourism in the Mainland as Hong Kong was hardly able to receive the large number of Mainland visitors under the Individual Visit Scheme.

9. PSCMA said that a main function of the Mainland Offices was to provide essential support for Hong Kong residents, enterprises and groups in the Mainland. She said that while promoting Hong Kong's tourism was the responsibility of HKTB, the Mainland Offices also carried out publicity work to enhance mutual understanding and respect between people of the two places.

10. In response to Ms Claudia MO as to how the Administration would provide a full range of assistance to Hong Kong residents in the Mainland, PSCMA said that the Census and Statistics Department (C&SD) would conduct a survey to collect aggregate data on Hong Kong residents in the Mainland. The data would enable the Mainland Offices to reach out to more Hong Kong residents and groups, with a view to understanding their service needs and providing them with the information and support useful for their purposes. In the meantime, each Mainland Office would publish a booklet and establish a website that set out essential information on healthcare, education, and legal services, etc for Hong Kong residents living or working in the area.

11. Dr Helena WONG noted that the Administration intended to set up new liaison units in different Mainland cities. As there were many cities in the Mainland, Dr WONG asked about the number of additional Mainland Offices and liaison units which the Administration intended to set up. She also asked if the work of these Offices and liaison units could be consolidated and streamlined.

12. PSCMA said that at present the four Mainland Offices were located in, respectively, the northern, southern, eastern and western parts of the Mainland. As announced in the 2013 Policy Address, the Administration planned to set up a new Economic and Trade Office (ETO) in Wuhan to seize the opportunities arising from the development of the Central Region. With the establishment of the new Wuhan ETO, the overall network of the Mainland Offices would be largely in shape. The Administration would continue to study the feasibility of setting up liaison units in suitable and strategic locations to further enhance the service network of the Mainland Offices, having regard to the effective use of financial and manpower resources.

#### Trading activities with the Mainland

13. Mr Vincent FANG said that the Panel on Commerce and Industry had discussed and endorsed the staffing proposal. Speaking from a user's point of view, Mr FANG said that there was a pressing need for an additional ETO, in view of the growing number of Hong Kong residents living or doing business in the Mainland. These residents or companies often encountered problems and there was little avenue to obtain the latest information about new regulations or new legal requirements. It would be easier for ETOs to obtain the information through G2G channels and disseminate the information to Hong Kong residents and firms in the Mainland. Mainland Offices could also play a role in helping individuals to resolve commercial disputes or legal problems.

14. Mr Vincent FANG said that, to facilitate members to appreciate the need for new ETOs or liaison units to be set up in the Mainland, the Administration should presenting details on the growth in trade and other commercial activities between Hong Kong and the various Mainland cities. He commented that the Administration should continue to explore new ETOs after the Wuhan Office came into operation as Mr FANG expected that more and more Hong Kong firms and residents would move into the Mainland in pursuit of new business ventures. In this connection, Mr FANG asked if the Administration had any criteria for setting up new ETOs or liaison units.

15. PSCMA agreed with the need to optimize the functions and effectiveness of the Mainland Offices to provide better services for Hong Kong enterprises and business groups. She said that in deciding to set up the new ETO in Wuhan, the Administration had taken into account a host of factors, including the national strategy for co-ordinated regional development; the development situation and potential of the relevant provinces and municipalities; the potential business opportunities for Hong Kong enterprises; and views from relevant stakeholders including the business sector, etc.

16. In response to Mr Vincent FANG, PSCMA undertook to provide information on –

- (a) statistics on trade between Hong Kong and the Mainland cities in which the Administration plans to set up new ETO(s);
- (b) statistics showing the trend of Hong Kong people working, living or doing business in those Mainland cities; and
- (c) indicators that the Administration adopts in evaluating the need for setting up new ETO(s) in the Mainland.

*(Post meeting note: the Administration provided the requested information in its letter to the Finance Committee dated 24 June 2013 (LC Paper No. FC159/12-13(01))]*

17. PSCMA said that the Administration was prepared to address members' further questions in this regard at the meeting of the Panel on Commerce and Industry to be held on 18 June on trade relations between the Mainland and Hong Kong.

#### Strengthening "homeland relationship"

18. Ms Emily LAU said that many members did not subscribe to the CE's suggestion of promoting "homeland relationship". Ms LAU commented that "homeland relationship" with Mainland provinces and municipalities should not be promoted for the purpose of building CE's personal network in the Mainland, but for providing practical support to Hong Kong residents in the Mainland. Ms LAU said that the actual assistance rendered by Mainland Offices to Hong Kong residents in the Mainland was quite insignificant, as reflected by the large number of requests for assistance from Hong Kong residents in the Mainland that members of the Democratic Party had received and forwarded to the Administration for follow-up. Ms Emily LAU asked what services were being provided by the Mainland Offices before the incumbent CE took office.

19. PSCMA said that while providing essential information and support to Hong Kong residents and enterprises in the Mainland was on-going work of the Mainland, the 2013 Policy Address announced a series of initiatives to enhance the functions of the Mainland Offices and step up the services that they provided to various Hong Kong resident groups. In addition to the two Immigration Divisions in the Beijing Office and the Guangdong ETO respectively, the Administration would set up a new Immigration Division in



the Chengdu ETO to provide more timely assistance to Hong Kong residents in distress in the Mainland.

20. Ms Emily LAU commented that even if the Administration could receive the funding required for the creation of new posts for the Wuhan ETO, it could still not render practical assistance to Hong Kong residents in the Mainland.

21. Referring to the commercial or legal disputes that some members had raised, PSCMA said that while the Mainland Offices would endeavour to assist the Hong Kong residents as requested, the Offices would do so strictly under the principle of "One Country Two System" and within the legal parameters. She supplemented that the Mainland Offices would provide pertinent information for the consideration of the concerned Hong Kong residents. The Mainland Offices would also refer the cases to relevant Mainland authorities at the requests of the concerned Hong Kong residents.

22. Mr WU Chi-wai asked whether the Administration had conducted value-for-money analysis on the work of the Mainland Offices. Mr WU Chi-wai also queried the need for creating or retaining the directorate posts in CMAB. He commented that the resources should be used to engage more frontline staff to reach out to Hong Kong enterprises or Hong Kong residents in the Mainland and to help disseminate information among them with respect to various changes in Mainland legal provisions, policies and administration practices.

23. PSCMA said that all Mainland Offices were headed by experienced directorate officers. It would be necessary to create a directorate post under the proposed Wuhan ETO to provide leadership to the work of the Office and liaise with Mainland officials at appropriate seniority to foster G2G co-operation.

#### Provision of information on the Mainland

24. Mr IP Kwok-him supported the staffing proposal. He said that from his experience, complaints or requests for assistance from Hong Kong people in the Mainland could often be resolved satisfactorily if the Mainland Offices were involved. He therefore agreed that more resources should be allocated to strengthen the work of Mainland Offices. Mr IP Kwok-him asked whether the Administration would help disseminate information about the changes in policies, rules, and laws that affect Hong Kong residents and enterprises in the Mainland if the staffing proposal was approved.

25. PSCMA said that stepping up policy research and information dissemination was one of the initiatives under "homeland relationship". The Beijing Office would commission research studies to analyze the opportunities and challenges for Hong Kong residents and enterprises arising from new and important national policies. The Beijing Office would ensure wide dissemination of the research findings to Hong Kong residents and enterprises in the Mainland, in conjunction with other Mainland Offices.

26. Mr MA Fung-kwok supported the staffing proposal. He said that Mainland Offices should play a more active role in promoting cultural exchange between Hong Kong and the Mainland. He also suggested that the Mainland Offices should be retitled to reflect this role, and that a designated post (such as "Culture Commissioner") should be appointed to lead the task.

27. PSCMA said that apart from the economic or commercial strengths of Hong Kong, the Mainland Offices also helped promote Hong Kong's "soft power" like our cultural achievements. The Mainland Offices had from time to time arranged Hong Kong art groups to conduct or perform cultural activities in the Mainland. As regards the feasibility of re-titling the Mainland Offices, PSCMA said that this required careful consideration, having regard to possible read-across implications.

28. Mr YIU Si-wing commented that as more and more Hong Kong residents were living or doing business in the Mainland, the number of accidents or emergency situations or legal disputes involving Hong Kong residents would increase. The work of Mainland Offices should be strengthened to render assistance to Hong Kong residents in the Mainland. Mr YIU Si-wing asked how the Administration intended to expand the functions of Mainland Offices when the staffing proposal was approved. In particular, Mr YIU asked if the Administration would step up publicity on the services provided by Mainland Offices.

29. PSCMA said that C&SD was going to conduct a survey to collect aggregate data of Hong Kong residents in the Mainland to enable the Mainland Offices to reach out to more Hong Kong residents and enterprises in the Mainland. In the meantime, the Mainland Offices would enhance the provision of useful information to Hong Kong residents in the Mainland, by way of a booklet and website to disseminate practical information on living in the Mainland. The Mainland Offices would also meet local Hong Kong resident groups and enterprises on a regular basis to increase their awareness of the services and work of the Mainland Offices and gauge their service needs. Given the vast geographical coverage of some of the existing Mainland Offices, the proposed establishment of the Wuhan ETO would help rationalize and

streamline the support services for Hong Kong residents living in different regions of the Mainland.

Assessment of Mainland reaction to a policy

30. Dr KWOK Ka-ki referred to several recent press reports about a leaked submission to the Executive Council (ExCo) that bureaux and departments were required to include a paragraph in all submissions to ExCo setting out the assessment of possible Mainland's reaction to a policy measure. He asked how much of the time of the proposed directorate posts would be devoted to conducting assessment on Mainland implications of the Administration's policies.

31. PSCMA said that as explained during the discussion at the Establishment Subcommittee meeting held on 15 May 2013 and in the Administration's letter dated 30 May 2013 (LC Paper No. ESC41/12-13(01)) to the Subcommittee, it was an established practice of the Administration that, in formulating policies, policy bureaux would consider fully all relevant factors and assess possible implications to ensure that the policies, when implemented, would align with relevant constitutional and legal principles, and respond to community aspirations and balance various implications as far as possible. The policies should also be reasonable and rational, and take into account the overall interest of the Hong Kong community and long-term development. Given the strong ties between Hong Kong and the Mainland and increased interaction between people of the two places, it was possible for individual policy measures of the HKSARG to have an impact on Mainland people. In the circumstances, it was reasonable, if not necessary, for the policy bureaux to make a comprehensive assessment during the policy formulation process, including possible reaction in the Mainland community as affected by their policies, and consider arranging appropriate publicity measures to explain the policies.

32. Dr Fernando CHEUNG queried the need to evaluate the implications of all policy measures on the Mainland. He also queried the justification for the proposed directorate posts if they were required to carry out these assessments. Dr CHEUNG noted that the "Mainland implications" paragraph in a policy paper submitted for deliberation by ExCo would be deleted when the submission was subsequently converted to a Legislative Council (LegCo) Brief circulated to members. He asked the reason for the deletion of the assessment.

33. PSCMA pointed out that the two posts under the present proposal were not responsible for or involved in the assessment by the policy bureaux. She reiterated that when formulating policies, policy bureaux would consider

fully all relevant factors and assess possible implications. As also set out in LegCo Briefs, these might include assessment on conformity with the Basic Law, including provisions concerning human rights, and economic, productivity, environmental, sustainability, family, financial and civil service implications, as well as possible reaction in the Mainland. In other documents submitted to the LegCo on policy measures, policy bureaux normally set out the policy background, justifications, views taken into account during the policy formulation process, implications of the policy on various aspects, and if relevant, information related to the Mainland.

34. Dr CHEUNG criticized the Administration for taking the trouble to assess implications of policy initiatives on the Mainland, while failing to take into consideration the reaction of the vulnerable groups or the disadvantaged sectors towards such initiatives. For instance, the Administration had not incorporated gender mainstreaming into its policy formulation process.

35. The Chairman instructed that the speaking time for the second round of questions for this item should be not more than three minutes, including the Administration's reply.

36. Dr Fernando CHEUNG repeated his enquiries on whether the proposed directorate posts would be involved in assessing Mainland's reaction to the Administration's policy or legislative proposal; and why the Administration would withhold the assessment of Mainland's reaction when presenting the proposed policy or legislation to LegCo.

37. PSCMA reiterated that the two directorate posts were not responsible for or involved in the said assessment. In accordance with established internal procedures, it was a practice of policy bureaux to submit LegCo Briefs to the LegCo in respect of the decisions made by the ExCo. Other than LegCo Briefs, there were regular papers and documents on a wide scope of policy measures that the policy bureaux would prepare for the relevant Panels of the LegCo. In these documents, policy bureaux would invariably set out the policy background, justifications, views taken into account during the policy formulation process, possible implications of the policy on various aspects, and if relevant, information related to the Mainland.

#### Assistance to Hong Kong journalists in the Mainland

38. Dr Helena WONG said that in March and June 2013, a few Hong Kong journalists were reported to have been assaulted while covering news in the Mainland. She asked what assistance the Mainland Offices had rendered to these reporters. PSCMA said that she understood the incident had been

reported to the local public security authorities for investigation. The Beijing Office would keep in view the matter.

39. Dr WONG also asked whether the Mainland Offices would publicize Hong Kong's core values in their promotional campaigns and G2G exchange activities. PSCMA said that the Mainland Offices would enhance communication and publicity targeted at various sectors in the Mainland to foster mutual understanding and respect between people of the two places. In so doing, they would consider suitable themes and contents in presenting the "soft power" and the strengths of Hong Kong.

40. There being no further question on the item, the Chairman put the item to vote.

41. When the Chairman asked those who were against the item to raise their hands, Ms Emily LAU requested the Chairman to cause it to be recorded that members belonging to the Democratic Party would abstain from voting on the item.

42. The Chairman declared that the majority of the members present and voting were in favour of the question that the item be approved.

43. At this juncture, Dr Fernando CHEUNG asked the Chairman to cause it to be recorded that he was against the funding proposal.

44. The Chairman said that he would not generally entertain request for a member's vote to be separately recorded. He said that members could claim a discussion, and members' votes would then be recorded individually. The Chairman said that he had already announced the voting result, a division would not proceed at that point.

#### **Item No. 2 – FCR(2013-14)13**

#### **RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 8 MAY 2013**

45. The Chairman advised that the item sought the Committee's approval of the recommendations of the Public Works Subcommittee (PWSC) made at its meeting on 8 May 2013. The Subcommittee had recommended that the item PWSC(2013-14)4 should be considered and voted on separately at this meeting.

46. The Chairman put the item FCR(2013-14)13 to vote. The Committee approved the funding proposal.

**PWSC(2013-14)4**  
**Head 703 – BUILDINGS**  
**Law and Order – Police**  
**277LP – Re provisioning of Yau Ma Tei Police Station**

47. The Chairman advised that the item sought the Committee's approval of upgrading 277LP to category A at an estimated cost of \$982.9 million in money-of-the-day prices for the re provisioning of the Yau Ma Tei Police Station.

Concern about the construction works of the Central Kowloon Route

48. Dr Helena WONG said that many To Kwa Wan residents complained that they were only informed at a very late stage that a section of the Central Kowloon Route (CKR) would pass underneath their buildings, and that the drill-and-blast method would be used for constructing the underground tunnel. As the ages of the affected buildings were between 30 and 50 years, many residents were concerned that the structural safety of the buildings would be adversely affected by the construction works. Dr Helena WONG pointed out that there had been reports of structural damages in buildings along the Shatin to Central Link (SCL) alignment. Dr WONG said that residents were concerned whether the damages were caused by the underground construction and blasting activities. They were also concerned whether damages would be sustained in buildings along CKR. Dr Helena WONG asked if the Administration should withhold the current funding proposal pending release of the damage report by MTR Corporation (MTRC) regarding the building damages in To Kwa Wan and Ma Tau Wai.

49. Under Secretary for Transport and Housing (USTH) said that the objective of the current funding proposal was to relocate the Yau Ma Tei Police Station to facilitate the construction of CKR, the main works of which would be gazetted later in the year. The Administration would discuss with LegCo about the details of the main works and address issues of concern to members and the public in that context.

50. USTH added that the Administration was aware of reports of damages to buildings along the SCL alignment. The actual causes of damages were being investigated and MTRC had, meanwhile, installed monitoring devices to assess the impact of the SCL construction works on nearby buildings. USTH stressed that the Administration shared the public's concern on the safety of construction and was prepared to suspend any works if there were risks of public safety. He said that there were still other occasions where construction safety issues could be discussed, and he appealed to members to focus on issues

related to the relocation of Yau Ma Tei Police Station as set out in the current funding item.

51. The Chairman instructed that the second round of questions for the item should be not more than three minutes including the Administration's response.

52. Dr Helena WONG asked whether the funding for the relocation of the Yau Ma Tei Police Station would be wasted if the Administration had to suspend or shelve the CKR construction if it was proven that the associated drill-and-blast works caused structural damages to adjacent buildings.

53. USTH said that the Yau Ma Tei Police Station would need relocation, and the existing building would be converted to other use given its historical and heritage values. The relocation efforts would not be futile. USTH added that the section of CKR at To Kwa Wan would be constructed using drill-and-blast method deep under rock stratum. Such method for tunnel construction had been adopted in Hong Kong for many years, and the Administration was confident that the subject construction would be carried out safely. To implement the CKR project smoothly, it was necessary to proceed with the proposed relocation of the Yau Ma Tei Police Station. The funding sought would not be wasted.

54. Dr Helena WONG raised another queries relating to the demolition of Yau Ma Tei Carparks. The Chairman ruled that Dr WONG's question was not related to the funding item under deliberation.

55. Ms Emily LAU followed up on an earlier query from Dr Helena WONG, and sought the Administration's confirmation whether construction works of CKR would be suspended if it was concluded that the safety of the buildings in the vicinity of the CKR alignment were at risk.

56. USTH said that the Administration accorded top priority in ensuring public safety for all public works. Following the report in May regarding vibration of buildings resulting from the works of the SCL, the concerned construction activities had been suspended. MTRC had installed monitoring devices for the buildings in questions. MTRC was conducting tests using different procedures and methods to identify the causes of the damages.

#### Communicating with residents affected by construction works

57. Ms Emily LAU called on the Administration and MTRC to conduct thorough investigation to ensure safety of the nearby residents before

construction commenced. She also urged the Administration to maintain close dialogue with the affected residents so as to listen to their concerns and respond to their queries.

58. USTH assured members that the Administration had engaged the residents in close communication and had listened to their views regarding the installation of monitoring devices in their buildings. He added that the construction arrangements submitted from MTRC were subject to vetting by the Highways Department and the Buildings Department before the actual works could commence.

59. Mr LEUNG Kwok-hung asked when the Administration would publicize the monitoring data and how the Administration would present them so that the affected residents would understand. Mr LEUNG also asked if the Administration would set aside fund to compensate building owners for any damages arising from the construction works, or to subsidize affected residents to engage consultants to advice on compensation matters.

60. USTH said that the proposed relocation of Yau Ma Tei Police Station did not involve compensation matters or the analysis of monitoring data as queried by members. He suggested that the issues should be discussed in other occasion.

61. Mr LEUNG Kwok-hung sought confirmation on whether the Administration would proceed with the relocation of the Yau Ma Tei Police Station regardless of whether CKR would proceed. USTH said that thorough public consultation had been conducted on the proposed CKR project, and there was support from the community on the project. The Administration should proceed with its construction without delay. To facilitate smooth implementation of the project, it was important that affected public facility such as the Yau Ma Tei Police Station should be relocated at an early stage.

62. Ms CHAN Yuen-han said that she would support the funding proposal. She referred to the previous occasions in the construction of the SCL where the Administration had listened to local residents and had even realigned the route to address the concerns of the Tze Wan Shan residents. She said that the Administration should, in the same way, listened carefully to the views of Kowloon City residents during the construction of CKR.

63. In the third round of question, Dr Helena WONG again raised the query about buildings damages arising from the construction of the Shatin Central Line project. The Chairman ruled that Dr WONG's query was un-related to the item under deliberation.



Voting results

64. There being no further question on item, the Chairman put the item to vote. At the request of Dr Helena WONG, the Chairman ordered a division. Of the 40 members present, 33 voted for and one member voted against the item, and six members abstained from voting. The voting results of individual members were as follows –

*For:*

Mr CHAN Kam-lam	Mr TAM Yiu-chung
Mr WONG Kwok-hing	Dr Joseph LEE Kok-long
Mr Jeffrey LAM Kin-fung	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr CHAN Kin-por	Mr WONG Kwok-kin
Mr IP Kwok-him	Mrs Regina IP LAU Suk-ye
Mr Alan LEONG Kah-kit	Ms Claudia MO
Mr NG Leung-sing	Mr Steven HO Chun-yin
Mr YIU Si-wing	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr CHAN Han-pan
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Mr Kenneth LEUNG	Ms Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Elizabeth QUAT	Mr POON Siu-ping
Mr TANG Ka-piu	Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok	Mr CHUNG Kwok-pan
Mr Tony TSE Wai-chuen	
(33 members)	

*Against:*

Mr LEUNG Kwok-hung  
(1 member)

*Abstain:*

Mr LEE Cheuk-yan	Ms Emily LAU Wai-hing
Mr WU Chi-wai	Dr Fernando CHEUNG Chiu-hung
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
(6 members)	

65. The Chairman declared that the Committee approved the funding proposal.

**Item No. 3 – FCR(2013-14)14**

**HEAD 62 – HOUSING DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item "Special rent payment for public rental housing tenants"**

**HEAD 170 – SOCIAL WELFARE DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item "Additional provision for social security recipients"**

**HEAD 147 – GOVERNMENT SECRETARIAT :**

**FINANCIAL SERVICES AND THE TREASURY BUREAU  
(THE TREASURY BRANCH)**

**Subhead 700 General non-recurrent**

**Item 881 Electricity charges subsidy for eligible residential accounts**

66. The Chairman advised that the item sought the Committee's approval of –

- (a) a new non-recurrent commitment of \$2,150 million under Head 62 Housing Department Subhead 700 General non-recurrent for the provision of two months' rent for tenants/licencees living in the public rental housing (PRH) units of the Hong Kong Housing Authority (HA) and the Hong Kong Housing Society (HS);
- (b) a new non-recurrent commitment of \$2,728 million under Head 170 Social Welfare Department Subhead 700 General non-recurrent for the provision of an extra payment to Comprehensive Social Security Assistance (CSSA) recipients equal to one month of the CSSA standard rates, and an extra payment to Old Age Allowance, Old Age Living Allowance and Disability Allowance recipients equal to one month of the allowances; and
- (c) an increase in commitment by \$4,500 million from \$17,800 million to \$22,300 million under Head 147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch) Subhead 700 General non-recurrent Item 881 for the provision of electricity charges subsidy for eligible residential households.

## Reports by Panel Chairmen

67. Mr WONG Kwok-hing, Chairman of the Panel on Housing, reported that the Panel was consulted on the rent payment proposal at its meeting held on 15 April 2013. Panel members supported the proposal. However, Mr WONG said that one member had reservation on the relief measure in that the scheme should not apply to well-off public housing tenants, and considered that the Administration should review the arrangement. Mr WONG Kwok-hing added that he supported the funding proposal, and urged the Administration to implement the measures as early as possible.

68. Ms CHAN Yuen-han, Chairman of the Panel on Welfare Services, reported that the Panel discussed the proposal on the additional provision for social security recipients at its meeting held on 21 May 2013. Panel members supported the proposals. Some members considered that the Administration should give one more extra monthly payment to recipients living in private rental accommodation and that the standard payment rates under the CSSA Scheme should be reviewed.

69. The Chairman said that there were 15 minutes left before the meeting closed, and five members had indicated their intention to speak. He instructed that the question time for each member should not be more than four minutes, including the Administration's response.

### Rent allowance for CSSA recipients in private accommodation

70. Dr Fernando CHEUNG supported the funding proposals as the measures should be able to help grassroots people. As regards the proposed extra monthly payment for CSSA recipients, Dr Fernando CHEUNG said that the rent allowance component of CSSA payment fell below market rental rates. Half of the CSSA recipients living in private rental accommodation would have to cut other expenses in order to meet the rental expenditure. According to the Statistics compiled by the Administration, more than 5 000 households on CSSA had to spend more than \$1,000 to top up their rental subsidy to meet rental expenditure. The extra month of CSSA payment was not sufficient to help these CSSA households. Dr CHEUNG asked if the Administration would review and increase the level of rental subsidy.

71. Deputy Director of Social Welfare (Administration) (DDSW(Admin)) said that the rental subsidy under CSSA was adjusted every year according to established mechanism. The Administration would take into consideration the movement of the Consumer Price Index (A) rent index for private housing in adjusting the rental subsidies. DDSW(Admin) said that the rate of rental

subsidies had been increased by 5.7% and 7.8%, respectively in 2012 and 2013, representing a cumulative increase of about 14% over two years. As a result, about 89% of CSSA households were able to meet the rental expenditure from the CSSA Payment; and about 51% of CSSA households living in private rental accommodations could meet the rental expenses using the rental subsidies under the CSSA Scheme. While the Administration understood the difficulties faced by these CSSA households, DDSW(Admin) said that any changes to the established mechanism required careful consideration of various implications such as stimulating an escalation in rental levels.

72. DDSW(Admin) added that arrangements were being introduced under the Community Care Fund to help about 17 000 CSSA households who were living in rented private housing and paying a rent which exceeded the maximum rent allowance under the CSSA Scheme. Under the arrangements, \$2,000 would be provided for single-person CSSA households and \$4,000 would be available for two-or-more-person CSSA households.

73. Dr Fernando CHEUNG criticized that even after the rental subsidy adjustment, there were still about a half of the CSSA households living in private accommodation needed to cut their living expenses to make up for the rental payment. He said that the existing adjustment mechanism was not effective and should be reviewed.

#### Electricity charges subsidy

74. Mr WONG Kwok-hing said that the Administration would have submitted this funding application much earlier had it not been for the filibuster staged by certain members on the Appropriation Bill. He sought clarification from the Administration whether there would be a gap between the expiry of current electricity charges subsidy and the commencement of the new subsidy arrangement under the funding proposal.

75. Principal Assistant Secretary for Financial Services and the Treasury (Treasury) (H) (PAS(Tsy)(H)) said that the current electricity charges subsidy scheme would expire in June 2013. Subject to the approval of the funding proposal by the Finance Committee, the Administration would work with the electricity companies to implement the new subsidy arrangement starting from 1 July 2013. There would not be any gap between the two electricity charges subsidy arrangements.

76. Mr TANG Ka-piu welcomed the introduction of the proposed relief measures. He said that he had received a request for assistance from a complainant living in a subdivided flat in Sham Shui Po at a monthly rent of

\$1,500. The landlord had recently raised the rate charged to the complainant for electricity consumption from \$1.5 per unit of to \$2 per unit in spite of the electricity charges subsidy provided by the Administration. Mr TANG said that this complaint would not be an isolated case, and it was likely that more than 160 000 tenants living in subdivided flats who were sharing electricity metres might be facing the same situation. He asked how the Administration could address the problems faced by these tenants.

77. PAS(Tsy)(H) said that electricity charges subsidy would only be provided for eligible residential electricity accounts of the two electricity companies. The Financial Secretary had announced a range of one-off relief and stimulus measures under the 2013-2014 Budget, including additional injection into the Community Care Fund. It was expected that most people in the community would benefit from one or more of these measures.

78. PAS(Tsy)(H) added that during the discussion at the Panel on Financial Affairs, some members suggested that assistance should be provided under the Community Care Fund to people who did not benefit from the electricity charges subsidy scheme. It was noted that the Community Care Fund Secretariat would relay this suggestion to the Community Care Fund Task Force under the Commission on Poverty for reference.

79. Dr Fernando CHEUNG said that a green group had conducted a study which found that in 2008-2009 and 2011-2012 when electricity charges subsidies were implemented. The average electricity consumption per household had increased by 3.9% and 7.7%, respectively. In 2009-2010 and 2010-2011 when electricity charges subsidy was not provided, the electricity consumption fell by 1.2%. Dr CHEUNG said that providing electricity charges subsidies might encourage electricity consumption. He asked if the Administration had included in the funding application any resources for publicity to encourage the public to conserve electricity.

80. PAS(Tsy)(H) said that no provision for publicity was included in the funding proposal. She added that there had been comments from members that provision of electricity charges subsidy should be linked to the electricity conservation efforts of households. Statistics showed that provision of electricity charges subsidy did not necessarily increase electricity consumption. For instance, in both July 2011 and July 2012 when electricity charges subsidy was in place, the average electricity consumption per residential account was some 23% lower than that in July 2007 when no subsidy was given.

Publicity of the relief measures

81. Mr IP Kwok-him said that members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong would support the funding proposals. He asked how the Administration would publicize the implementation of the relief measures.

82. PAS(Tsy)(H) said that a press release would be issued in end June to announce the commencement of new electricity charges subsidy. The amount of electricity charges subsidy credited would be indicated on the electricity bills of eligible accounts.

83. DDSW(Admin) said that the extra payment for social security recipients would be disbursed by end July 2013. The Social Welfare Department would publicize the arrangement through a press release.

84. Deputy Secretary for Transport and Housing (Housing) said that, subject to FC's funding approval, tenants of HA and HS would not be required to pay all or part of their rents for the months of August and September 2013. HA would notify tenants of the arrangement by letter, and publicize the measure by way of a press release.

85. There being no other question, the Chairman put the item to vote. The Chairman announced that the Committee approved the funding proposal.

86. The meeting was adjourned at 6:26 pm.