

**立法會**  
***Legislative Council***

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**Finance Committee of the Legislative Council**

**Minutes of the 34<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 21 June 2013, at 3:30 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 CHAN Kam-lam, SBS, JP  
Hon LEUNG Yiu-chung  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon TAM Yiu-chung, GBS, 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-yea, 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 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 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 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  
Hon IP Kin-yuen  
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 James TO Kun-sun

Hon Abraham SHEK Lai-him, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Paul TSE Wai-chun, JP  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon Gary FAN Kwok-wai  
Hon Kenneth LEUNG  
Dr Hon Helena WONG Pik-wan  
Dr Hon Elizabeth QUAT, 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) 1
Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mrs Carrie LAM, GBS, JP	Chief Secretary for Administration
Ms Gracie FOO, JP	Deputy Secretary for Home Affairs (1)
Ms Candy LAU	Principal Assistant Secretary for Home Affairs (Community Care Fund)
Dr LAW Chi-kwong, SBS, JP	Chairperson, Community Care Fund Task Force
Mr FUNG Pak-yan, JP	Acting Director of Social Welfare
Mrs Angelina CHEUNG	Deputy Secretary for Education (6)
Mr Donald CHEN	Deputy Secretary for Labour and Welfare (Welfare) 2
Ms Jane LEE	Principal Assistant Secretary for Labour and Welfare (Poverty)
Mrs Anna MAK	Deputy Director of Social Welfare (Services)
Mr FUNG Man-chung	Assistant Director of Social Welfare (Family and Child Welfare)

**Clerk in attendance:**

Mr Andy LAU

Assistant Secretary General 1

**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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The Chairman said that two meetings had been arranged for the day. The first meeting would be adjourned at 5:30 pm. If there were outstanding items on the agenda, the second meeting would commence at 5:40 pm to continue deliberation on the items.

**Item No. 1 – FCR(2013-14)18**

**RECOMMENDATIONS OF THE ESTABLISHMENT  
SUBCOMMITTEE MADE ON 29 MAY 2013**

2. The Chairman advised that the item sought the Committee's approval of the recommendations of the Establishment Subcommittee (ESC) made at its meeting on 29 May 2013.

3. The Chairman put the item FCR(2013-14)18 to vote. The Committee approved the funding proposal.

**Item No. 2 – FCR(2013-14)19**

**RECOMMENDATIONS OF THE PUBLIC WORKS  
SUBCOMMITTEE MADE ON 28 MAY 2013**

4. 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 28 May 2013.

Extension of the CITIC Tower Footbridge to the Legislative Council Complex at Tamar

5. Regarding the item PWSC(2013-14)10 on the extension of the CITIC Tower Footbridge among the PWSC's recommendations, Mr LEE Cheuk-yan said that there had been public misunderstanding that the proposed footbridge was to serve solely Legislative Council (LegCo) Members. Mr LEE said that the proposed footbridge extension was mainly aimed to provide barrier-free access to the LegCo Complex for people with disabilities.

6. Ms Cyd HO made a similar comment. She said that according to an earlier plan, disabled visitors or staff of the LegCo Secretariat could access the LegCo Complex from Admiralty Centre by the footbridge across Harcourt Road. However, the plan could not be realized as the Administration failed to reach agreement with the management of Admiralty Centre to connect the footbridge with the Centre. As an alternative, it had been proposed that an extension from the CITIC Tower footbridge to the LegCo Complex should be constructed.

7. Ms Cyd HO noted the high construction cost involved. She reminded the Administration to adopt a modest design to minimize cost and subsequent maintenance expenses.

8. The Chairman said that when PWSC discussed the item at its meeting on 28 May 2013, no member requested for the item to be taken out for separate voting at this meeting. Accordingly, no representative from the Administration had been invited to respond to members' comments and enquiries.

Widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling – Stage 2

9. Dr CHIANG Lai-wan noted the Administration's proposal to install almost 5.1 km of vertical noise barriers along the Fanling Highway as described the item PWSC(2013-14)9. She doubted the need for the noise barriers as there were no high-rise buildings along that proposed section. Dr CHIANG considered that the barriers would be visually unpleasant, and suggested the Administration should review the need for the proposed works and consider planting trees instead as they would also help mitigate noise impact from the highway to nearby areas.

10. There being no other comments from members, the Chairman put the item FCR(2013-14)19 to vote. The Committee approved the funding proposal

**Item No. 3 – FCR(2013-14)20**

**HEAD 53 – GOVERNMENT SECRETARIAT : HOME AFFAIRS  
BUREAU**

**Subhead 700 General non-recurrent**

**Item 844 Injection into the Community Care Fund**

11. The Chairman advised that the item sought the Committee's approval of an additional injection of \$15 billion into the Community Care Fund (CCF).

12. As Mr Frederick FUNG Kin-kee, Chairman of the Subcommittee on Poverty, was absent from the meeting, the Chairman invited Mr LEE Cheuk-yan, member of the Subcommittee, to report the Subcommittee's deliberation on the funding proposal.

13. Mr LEE Cheuk-yan reported that the Subcommittee on Poverty discussed the proposed injection at its meeting held on 24 May 2013. Members of the Subcommittee supported the funding proposal. Some Subcommittee members expressed concern that the Administration would not be able to collect the outstanding donations pledged by the business sector. Other Subcommittee members expressed concern about the operation of CCF. They demanded a high degree of transparency and accountability in the operation of CCF.

14. Mr LEE Cheuk-yan further reported that some Subcommittee members requested the Administration to explain why programmes that had been funded under CCF for three years were still not incorporated into regular government services. Subcommittee members also suggested that the Administration should enhance the support for people who could not benefit from the various welfare or one-off measures. Some Subcommittee members suggested that the application criteria for subsidies for dental service for the elderly should be relaxed and extended to other low-income households.

15. The Chairman instructed that the speaking time for members should not exceed five minutes, including the Administration's response.

Accountability and transparency of CCF

16. Mr James TIEN said that Members belonging to the Liberal Party supported the funding proposal. Members noted that the Administration undertook to notify LegCo on any CCF programme that exceeded \$100 million.

17. Mr James TIEN queried whether the Administration would inform LegCo on implementation of CCF programmes that was below \$100 million.

Ms Emily LAU queried whether the Administration's pledge was credible as it had, on many other occasions, proceeded with programmes and initiatives in spite of objections from LegCo Panels. She also pointed out that, by the Administration criteria, only a few CCF-funded programmes would eventually be submitted to the Panels for consultation. Mr WU Chi-wai asked, apart from consulting the relevant Panels or the Subcommittee on Poverty, whether the Administration would seek explicit approval from Finance Committee (FC) for release of funds under CCF to implement selected programmes, so that detailed debates on the merits of the programmes could be conducted.

18. Chief Secretary for Administration (CS) said that the Subcommittee on Poverty under the House Committee or the relevant LegCo Panels would be consulted prior to launching brand-new CCF programmes which would be pilot in nature and the funding of which would exceed \$100 million. The Administration would also report to the Subcommittee on Poverty on the financial position of CCF and the progress of the various programmes every six months. CS also said that the Administration would not implement a programme under CCF if the programme was not supported by the relevant LegCo Panels or the Subcommittee on Poverty.

#### Financial discipline of setting up funds on government programmes

19. Mr James TIEN raised concerns on whether the Administration was trying to circumvent the current financial procedure where major expenditure items would require prior approval from FC. Mr TIEN also commented that the Administration's approach of funding new programmes using designated fund would diminish LegCo's role in approving and monitoring the Government's use of public resources.

20. CS said that the Administration had, from time to time, sought the approval from FC to transfer public money from the General Revenue Account to set up designated funds. Before approving the setting up of a new fund, FC would have agreed with the operating, monitoring and reporting mechanisms put forward by the Administration. In the case of CCF, programmes would have to be approved by the Commission on Poverty (CoP), which she chaired and comprised four LegCo Members, upon the recommendations of the CCF Task Force.

21. Mr LEE Check-yan said that Members belonging to the Labour Party supported the funding proposal, because CCF would at least provide support to certain sectors of the community in need. He commented that the setting up of a designated fund to finance poverty alleviation measures was wrong in principle as LegCo could no longer control and monitor the use of the fund by

the Administration. Mr LEE said that initiatives to support the vulnerable groups in the community should have been financed and implemented through the established budgetary process and public finance policy; and CCF was therefore unnecessary. Mr WU Chi-wai and Ms Emily LAU made similar comments. Ms Emily LAU added that the Administration had previously tried to justify allowing flexibility on the use of CCF as half of its capital was private donations. As CCF would now comprise predominantly public money, there was no reason for the Administration to circumvent LegCo in using CCF.

22. CS said that the Administration had no intention to circumvent LegCo in monitoring the use of public resources. It was important to allow flexibility for the use of CCF in funding pilot programmes. CS added that the Administration would still need to abide by the principle of prudent use of public resources in respect of CCF.

23. Mr WU Chi-wai said that allowing flexibility in the use of CCF did not imply that the Administration could circumvent FC's control and monitoring of the use of public funds.

24. CS reiterated that FC had previously approved the setting up of funds to support implementation of projects of specific nature. Funds involving more than \$10 billion in initial injection were not unusual. In some instances, FC had allowed flexibility in the administration of the funds without the need of its prior approval for incurring expenditure on individual items. A case in point was the provision of \$7 billion to the Hong Kong Sports Institute for training and development of elite athletes.

25. Mr WONG Yuk-man said that he would vote against the funding proposal. He commented that CCF was merely intended to patch up deficiencies of existing ineffectual policies. Mr WONG added that, with the proposed funding injection, 94% of CCF's capital was public fund. This composition deviated from the original proposal where CCF should comprise contributions from the Government and the private sector in equal proportion. Instead of generating income of about \$1.2 billion a year from CCF's capital for the next four years from 2013-2014 to 2016-2017 to finance its fragmented programmes, Mr WONG said that the Administration should allocate \$4.8 billion of public money on poverty alleviation measures.

26. Mr WONG Yuk-man criticized that CCF had been reduced to a tool to glorify the Administration but no LegCo Members dared to block the funding proposal. He considered that CCF was unnecessary from the point of view of public administration and public finance management. Mr WONG also commented that, under CCF's current operating and monitoring mechanism, it



would be unlikely that CCF could maintain fair and transparent allocation of resources among different programmes.

27. CS responded that CCF would not replace the Administration's poverty alleviation efforts. Once CoP had developed the poverty line, the Administration would devise on-going policy measures to support the vulnerable groups in the community.

28. Dr KWOK Ka-ki said that it would be unreasonable to reject the funding proposal. He commented that when CCF was first introduced in 2012, it was supposed to be a fund made up of contributions from the Government and the business sector in equal proportion. It was clear that this objective would not be realized given the lukewarm response from the business sector. The Administration was left to take up CCF entirely on its own. Dr KWOK said that there was no difference in principle in CCF financing new pilot programmes and the implementation of new initiatives under existing financial procedures. He considered that it was improper to introduce a separate mechanism for approving the disbursement of funds under CCF.

29. Dr KWOK Ka-ki queried when CCF would expire, and whether the setting up of CCF reflected the inadequacy of existing policies in supporting vulnerable groups in the community.

30. CS said that CCF was also subject to stringent regulatory and monitoring procedures. CCF provided a flexible mechanism for responding quickly to a need in the community that was not anticipated or catered for under existing policies. She said that there was always a need to maintain such a mechanism.

31. Mr IP Kin-yuen expressed concern about the use of fund as an alternative system in handling public finance. He said that the number of funds created by the Administration had increased significantly over the past ten years. Funds of a huge size had emerged in recent years. Mr IP said that there were now about 50 different funds with a total balance of \$74.1 billion as at the last financial year. He estimated that the current balance might be close to \$100 billion.

#### Monitoring role of LegCo

32. Mr IP Kin-yuen commented that LegCo played a "gatekeeping" role in the disbursement of public money according to a set of rigorous rules and procedures. On the other hand, the operation of funds was not as transparent, and was not subject to monitoring by LegCo. Mr IP said that while funds had

the advantage of being flexible, the Administration should not compromise financial discipline particularly when public money was involved. Mr IP asked under what circumstances and by what criteria was a fund established and how these funds were managed and monitored. He also asked what role LegCo had in monitoring the use of funds, and whether there were comprehensive documentation on the procedural rules and guidelines on the use of funds.

33. Permanent Secretary for Financial Services and the Treasury (Treasury) (PS(Tsy)) said that some funds were established by resolution of LegCo under the Public Finance Ordinance (Cap. 2). During the legislative process, LegCo would have considered the objectives, scope, monitoring and reporting mechanism of the funds, and agreed to these conditions when passing the resolution for creation of these statutory funds.

34. PS(Tsy) said that some funds were established by statute other than Cap 2. The management structure and monitoring mechanism were subject to LegCo's scrutiny during the legislative process. If the funds required initial injection of capital, the corresponding funding proposal would have also been specifically approved by FC.

35. PS(Tsy) said that there were occasions where the Administration set aside resources for implementation of projects under a on-going programme. The expenditure involved would be charged to a certain head or subhead, although the programme might still be referred to as a "fund". For those programmes, the usual financial procedures relating to the approval of the estimates would apply, and, in some cases, funding allocation for one-off non-recurrent projects under the programme might require approval of FC.

#### Regularizing CCF-funded programmes

36. Mr POON Siu-ping supported the funding proposal which would be used to help the vulnerable groups in the community. However, Mr POON said that CCF should not take over the role of the Labour and Welfare Bureau (LWB) in poverty alleviation, but should support pilot programmes on areas that had not be adequately covered under existing policies. Mr POON expressed concern that the Administration would continue to rely on CCF to finance selected programmes but did not take active steps to incorporate them into the Government's regular assistance and service programmes. Mr POON asked if the Administration would impose a limit on how long a programme could be funded under CCF.

37. Mr WONG Kwok-hing raised a similar query. He asked, now that CCF had implemented 19 programmes, whether the Administration would undertake to incorporate those effective programmes into the Government's regular services.

38. CS replied that it was the Administration's intention that, after the CCF programmes had been operated for some time, the Administration would examine the incorporation of those programmes that were demonstrated to be effective, into the Government's regular service. Meanwhile, the programme could continue to operate using funding under CCF.

39. CS stressed that CCF would not replace LWB or any other policy bureaux in poverty alleviation efforts. She added that the Administration would try to incorporate effective programmes funded under CCF into the Government's regular service. In fact, one of the 19 pilot programmes had already been regularized. However, CS said that the Administration needed to be prudent when deciding whether or not to allocate new resources to operate these CCF-funded programmes on an ongoing basis. Before new resources could be made available to launch these programmes as a regular government service, they could continue to be financed by CCF.

40. Mr POON Siu-ping expressed concern about the lack of certainty on whether and when a CCF-funded programme would be incorporated into a regular government service. CS said that CCF allowed a programme to be tested out and indeed there had been cases where the pilot programmes funded under CCF were subsequently proved not to be very effective. The Administration should be careful in examining whether a particular CCF-funded programme should warrant incorporation as a regular government service. It would be difficult to revamp or even terminate a regular service once it was formally launched.

Assisting low-income households living in sub-divided flats, carer's subsidy and after-school care

41. Mr LEE Cheuk-yan urged the Administration to provide subsidies to low-income households living in sub-divided flats to meet high rental expenses. Mr LEUNG Chi-cheung expressed a similar view. He mentioned that many low-income families had to incur high rental expenses but could not receive public housing benefits. These groups of people were in dire need of support but were still not be able to receive any subsidies or assistance under CCF.

42. CS advised that CCF had rolled out a programme that provided subsidy to low-income persons who were inadequately housed. The CCF Task

Force had agreed to run the programme again and relax the eligibility criteria to benefit more households living in sub-divided units. Subject to FC's approval of the proposed injection, the enhanced programme could be launched before the end of the year. CS expected that more than 70 000 households would benefit from the enhanced programme.

43. Mr LEE Cheuk-yan suggested that the Administration should extend the carer's subsidy for people with disabilities, and to expand after-school care.

44. CS said that the programme of providing subsidy for carers of elderly persons under consideration would be pilot in nature, and it would not be appropriate to extend the programme to cover carers of people with disabilities. As regards expansion of after-school care service, CS added that CCF would continue to roll out the "After-school care pilot scheme" in the 2013/14 school year, and the target beneficiaries would be expanded.

#### Designated poverty alleviation programme

45. Ms Emily LAU said that Members belonging to the Democratic Party (DP) supported the Administration's initiative to help the low-income population, which was on the increase. She said that a DP member in CoP had suggested that the Administration should allocate half of the Government's reserve, or some \$300 billion, for implementing a five-year poverty alleviation programme. The suggestion was not accepted by CoP. She asked if the Administration would take the proposal on board for implementation.

46. CS said that poverty alleviation did not imply exhausting the Government's reserve to provide direct assistance to low-income persons. The Administration should implement policies which provided more favourable opportunities to facilitate upward mobility of the grassroot population. CoP had examined a wide range of policy options including education, vocational training and employment to identify appropriate initiatives. Ms Emily LAU stressed that DP was not asking for hand-outs from the Administration. She said that public money should be spent in areas where services were needed.

#### Donations from the private sector to CCF

47. Ms Emily LAU noted that the Administration had no plan to solicit private donations to CCF, although voluntary donations from individual would still be accepted. Ms LAU criticized the Administration's position as being ambiguous.

48. CS responded that the amount of donations pledged so far was about \$1.8 billion, and the Administration was confident that the outstanding amount of donations of around \$500 million would be received in full within this financial year. CS added that it had never been the Administration's intention to operate CCF as a matching fund. Poverty alleviation was the Administration's responsibility, and the Administration would implement necessary measures using CCF with or without pecuniary contributions from the business and other sectors. The Administration would not solicit donations from the community to CCF actively, but had encouraged the business sector to participate directly in poverty alleviation activities rather than just making cash donations.

49. Mr WONG Kwok-hing asked whether the Administration would continue to appeal to the business sector for donations to CCF. CS said the Administration welcomed donations from the business sector and the public. She added that the business sector could also contribute directly to poverty alleviation by designing and organizing their own programmes, mobilizing their own resources and reaching out to and helping those in need.

50. Ir Dr LO Wai-kwok supported the funding application. He said that CCF was useful in providing resources for implementing targeted and pilot programmes to address issues that were not adequately covered under existing policies. Ir Dr LO noted that the Administration had now dropped the "matching" approach in financing CCF. However, he said that the Administration should continue to take active step to solicit donations from the business sector and the community.

51. CS clarified that CCF was never meant to be a "matching" fund. The community could contribute donations to CCF or participate directly in poverty alleviation efforts by organizing their own activities to support the disadvantaged sectors of the community.

52. Mr TAM Yiu-chung said that CCF had been in operation for some time and had demonstrated to be effective in meeting poverty alleviation objectives. He said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal.

53. Mr TAM Yiu-chung said that the size of the proposed injection into CCF was quite significant. However, taking into account the number of beneficiaries involved and the nature of measures to be implemented, Mr TAM said that the Administration's proposal was reasonable. He was not worried that the funds would be abused as each programme would have to go through

many levels of deliberation and vetting, and the operation of CCF would be subject to internal audit of the Administration.

Assistance to low-income and disabled persons

54. Mr TAM Yiu-chung suggested that CoP should take into account members' views and should expedite implementation of CCF-funded programmes so as to enable the vulnerable members of community to be benefited at the earliest opportunity.

55. CS responded that at the initial stage of CCF operation, the former CCF steering Committee had been criticized as being too cautious and too conservative in selecting the programmes to be launched and in approving the resources for their implementation. After experimentation for some time, CCF had gained useful experience and had been able to deliberate and launch programmes at a faster pace.

56. Mr LEUNG Chi-cheung declared that he was a member of CoP. He said that the programmes to be implemented under CCF were discussed at CoP and the proposed amount of injection sought was reasonable. Mr LEUNG said that many of the programmes, however justified, could not have been launched under existing policy framework, it was therefore necessary to have an alternative means to implement them. Mr LEUNG suggested that CoP could take into consideration members' views and widen the scope and contents of the programmes.

57. Mr WONG Kwok-hing supported the funding proposal. He said that CCF was both meaningful and useful in providing support to vulnerable groups that could not be covered under existing policies. Mr WONG expressed concern that, notwithstanding the recommendation of the Ombudsman, and the pledge by the Chief Executive, the Labour and Welfare Bureau (LWB) was reluctant to extend disability allowance and concessionary fare benefit to people with loss of one limb. He asked the Chairperson of the CCF Task Force whether a programme could be rolled out under CCF to address the issue.

58. Chairperson, CCF Task Force said that CCF might consider how to strengthen the support to persons with severe physical disabilities who required long-term care but were not eligible under the Comprehensive Social Security Assistance Scheme. For people with loss of one limb, Chairperson, CCF Task Force said that as LWB had started a review on the matter, it would be inappropriate for CCF to introduce any programme until at least a broad policy principle was formed.

59. Mr Albert CHAN said that, some five to six years ago, he had proposed the setting up of a \$20 billion fund to improve the livelihood of the grassroots community. Income to the fund could be drawn from part of the earnings of the Exchange Fund. Mr CHAN said that he had also submitted several suggestions on measures to help the vulnerable groups. He added that the People's Power maintained that poverty alleviation was the Government's responsibility. The original concept of CCF introduced in 2011 involved contribution from the business sector on half of the CCF pool of resources. It was contrary to the principle held by the People's Power and therefore Members of the People's Power voted against the proposal at that time. However, Mr CHAN said that the People's Power now welcomed the Administration's initiative to inject \$15 billion of public fund into CCF without requiring equivalent contributions from the business sector. He also said the People's Power also welcomed the fact that CS would lead poverty alleviation efforts through CoP.

60. However, Mr Albert CHAN observed that CCF was still put under the policy oversight of the Home Affairs Bureau. He commented that this approach was wrong and the fund should instead be put under LWB, if not directly under the CS's Office. Against these considerations, Mr CHAN said that Members belonging to the People's Power would abstain from voting on the item.

61. CS clarified that CCF would remain as a trust fund set up under the Secretary for Home Affairs Incorporated. HAB would only provide secretariat support for the CCF Task Force, and had no policy input on CCF issues. CS added that it was also not appropriate to put CCF under the CS's Office because CS did not have the statutory authority to set up a trust fund as a legal entity.

62. Mr Jeffrey LAM declared that he was previously a member of the CCF Steering Committee. He said that Members belonging to the Economic Synergy supported the funding proposal.

63. Mr Jeffrey LAM said that CCF received many different types of applications. Apart from providing resources for the implementation of worthwhile programmes, CCF would also need to consider whether there were sufficient human resources to undertake the work. Mr LAM asked if there were programmes that had not been implemented due to insufficient manpower and how the Administration intended to mobilize community participation in CCF programmes.

64. CS said that about 5% of the budgeted disbursement under a CCF programme could be used as administration cost, which was subject to

adjustment if necessary. CS agreed that community participation was important for the effective implementation of the CCF-funded programmes and the Administration would appeal for active involvement and participation from the community. In this connection, CS paid tribute to the social service organizations which had contributed to the implementation of CCF-funded programmes so far.

65. Mr LEUNG Kwok-hung said that he would not support the funding proposal. He said that he had suggested that the Administration should set aside \$50 billion to set up a fund to address the needs of the low-income persons. The proposal was not taken on board while the Administration set aside a large amount of public money for implementing health care financing initiatives.

66. Mr LEUNG Kwok-hung said that the Administration should levy a tax on income from investment on equities, and to allocate the tax revenue to CCF for financing poverty alleviation initiatives. Mr LEUNG criticized that CCF lacked transparency and had deviated from the original concept that half of the capital of CCF should come from commercial sector's donations. He also queried why he was not appointed as member to the relevant committees under CCF as he stood for the interests of the poor people.

67. As members began to argue with each other, the Chairman reminded members not to engage in discussion among themselves while the meeting was in progress.

68. The Chairman instructed that the speaking time for the second round of question on the item should not exceed three minutes, including the Administration's response.

#### Rules and guidelines about the use of funds

69. Mr IP Kin-yuen said that the Administration still had not addressed his query on whether the Administration had compiled documents on rules and guidelines about the use of funds.

70. Mr IP Kin-yuen noted that CCF was not a statutory fund created under the Public Finance Ordinance (Cap. 2). Yet, individual programmes implemented under CCF would not be subject to FC's approval. Mr IP considered that LegCo or the public would have no way of knowing how public money were being spent, and there was no role for LegCo to play in monitoring CCF's operation. Mr IP commented that while enjoying flexibility, CCF lacked the rigor and discipline in the use of public money and the current



arrangement would reduce the capability of LegCo in exercising its monitoring responsibility.

71. The Chairman commented that Mr IP's questions were repetitive, and he asked if the Administration would respond.

72. CS briefly reiterated that CCF had been prudent in examining and approving programmes for implementation, and had been regarded as being too conservative in its decision-making process at the initial stage of operation. As regards accountability, CS said that CCF was monitored by CoP and the CCF Task Force. As CCF was established under the Secretary for Home Affairs Incorporated Ordinance, CCF would also be subject to audit by the Audit Commission, with the annual financial report submitted to LegCo for Members' reference.

73. Mr IP Kin-yuen said that supervision by CoP or CCF Task Force could not replace monitoring by LegCo. CS said that each fund was unique in its own way. For CCF, the Administration would consult the relevant Panel or the Subcommittee on Poverty prior to launching certain programmes.

#### Voting results

74. There being no further question, the Chairman put the item to vote. At the request of Ms Emily LAU, the Chairman ordered a division. Of the 48 members present, 41 members voted for and six voted against the item. One member abstained from voting. The voting results of individual member were as follows –

#### *For:*

Mr LEE Cheuk-yan	Mr CHAN Kam-lam
Mr TAM Yiu-chung	Mr WONG Kwok-hing
Dr Joseph LEE Kok-long	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr WONG Ting-kwong
Ms Cyd HO Sau-lan	Ms Starry LEE Wai-king
Dr LAM Tai-fai	Mr CHAN Hak-kan
Mr CHAN Kin-por	Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin	Mr IP Kwok-him
Mrs Regina IP LAU Suk-ye	Mr Alan LEONG Kah-kit
Ms Claudia MO	Mr James TIEN Pei-chun
Mr NG Leung-sing	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr YIU Si-wing
Mr MA Fung-kwok	Mr Charles Peter MOK
Mr CHAN Han-pan	Dr Kenneth CHAN Ka-lok

Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Miss Alice MAK Mei-kuen	Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Mr TANG Ka-piu
Dr CHIANG Lai-wan	Ir Dr LO Wai-kwok
Mr CHUNG Kwok-pan	Mr Christopher CHUNG Shu-kun
Mr Tony TSE Wai-chuen	
(41 members)	

*Against:*

Mr Albert HO Chun-yan	Ms Emily LAU Wai-hing
Mr LEUNG Kwok-hung	Mr WONG Yuk-man
Mr WU Chi-wai	Mr IP Kin-yuen
(6 members)	

*Abstain:*

Mr CHAN Chi-chuen  
(1 member)

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

**Item No. 4 – FCR(2013-14)21**  
**HEAD 170 – SOCIAL WELFARE DEPARTMENT**  
**Subhead 700 General non-recurrent**  
**Item 811 Short-term food assistance**

76. The Chairman advised that the item sought the Committee's approval of an increase in commitment by \$200 million to \$400 million for the continuation and enhancement of the short-term food assistance service.

77. Ms CHAN Yuen-han, Chairman of the Panel on Welfare Services, reported that the funding proposal was discussed at the meeting of the Panel held on 21 May 2013. Panel members requested the Administration to provide details on the categories and needs of the service users. Some Panel members requested the Administration to consider extending the period of service to 10 to 12 weeks, and to increase provisions to the subvented organizations to allow them to cover the extra transport expenditure incurred, and to review the needs for new service proposals.

78. The Chairman instructed that the speaking time for each member should not exceed five minutes, including the Administration's response.

CSSA recipients using the Short-term Food Assistance Service

79. Mr TANG Ka-piu sought clarification on the proportion of users of the Short-term Food Assistance Service who were CSSA recipients. He said that CSSA payment should be sufficient to cover recipients' expenditure on food, and he queried why these service users would still require assistance under the service.

80. Mr TANG Ka-piu noted that many CSSA recipients living in private housing had to cut down their living expenses in order to make up for the rental payment. He also commented that the rental subsidy under CSSA were insufficient to cover the required expenditure. He asked whether high rental cost was the reason for the high proportion of CSSA recipient having to seek assistance under the Short-term Food Assistance Service.

81. Deputy Secretary for Labour and Welfare (Welfare)2 (DSLW(Welfare)2) said that, as at the end of March 2013, about 12% of users of the Short-term Food Assistance Service were CSSA recipients. Most of these recipients were facing extraordinary circumstances such as losing their CSSA payment or having to meet unexpected expenses on hospitalized family members.

82. DSLW(Welfare)2 said that the Administration was aware that certain CSSA recipients living in private housing had difficulties meeting rental expenditure. He said that CCF would re-launch a programme which would provide one-off subsidies of \$2,000 or \$4,000 to these households. The Administration would keep an open mind on what follow-up measures would be adopted following the end of the CCF programme.

83. Mr TANG Ka-piu asked how many of the CSSA recipients using the Short-term Food Assistance Service were living in private housing. DSLW(Welfare)2 said that the Administration did not have such breakdown as the information regarding the profile of service users was collected by the service operators.

84. Mr TANG Ka-piu commented that the methodology that the Administration based on to calculate the level of rental subsidy under CSSA was at fault. He suggested that further discussion be held at the Panel on Welfare Services on that matter.

### Repeated users of the Short-term Food Assistance Service

85. Mr TANG Ka-piu noted that among the 115 400 users of the Short-term Food Assistance Service, 41 700 (or 36%) had used the service more than once during the period between February 2009 and March 2013. He asked why these users needed the service so frequently, and what measures had been made to help these service users. Mr YIU Si-wing raised a similar query

86. Deputy Director of Social Welfare (Services) (DDSW(Services)) said that the Administration did not have breakdown on the reasons for repeated use of the Short-term Food Assistance Service. DSLW(Welfare)2 said that many of the service users faced different kinds of unexpected and emergency situations shortly after they left the service. DDSW(Services) added that operators of the service would look into the needs of the individual service users and would refer those in need to the mainstream service units of Social Welfare Department (SWD) and other relevant non-governmental organizations (NGOs) for follow-up (such as application for CSSA or other family support services) as situation warranted.

87. Mr YIU Si-wing asked about the number among the more than 110 000 users of the Short-term Food Assistance Service had received the service more than once. DSLW(Welfare)2 responded that as at the end of March 2013, about 36% or 41 700 service users had used the service more than once.

88. Mr YIU Si-wing said that there was a rather high proportion of repeated users of service. He expressed concern whether service operators had been too lenient in approving extension to service users, which encouraged abuse of the service. Mr YIU suggested that the Administration should review and tighten the application process.

89. DSLW(Welfare)2 said that service operators should be given flexibility to assess the needs of the service recipients, but he agreed that care should be taken to minimize abuse. DDSW(Services) said that the operators screened each and every application to ensure that it met the eligibility criteria and regular review was conducted to minimize abuse. SWD staff would conduct regular inspections on service operators and would identify if any improvements should be built into the service to avoid abuse.

### Collecting unconsumed food from supermarkets and hotels

90. Mr WONG Kwok-hing supported the funding proposal. He said that many supermarkets and hotels disposed of large quantities of unsold or

unconsumed food. The food could be better used to help people in need. He asked if SWD would ask the operators of the Short-term Food Assistance Service to approach supermarket chains and hotels for co-operation and supply of surplus food.

91. DDSW(Services) said that the five current operators of the Short-term Food Assistance Service were already in touch with relevant supermarkets and food suppliers. Some of these companies had agreed to provide unsold food that were about to expire to the operators.

92. DDSW(Services) mentioned that a company had also sought co-operation with local hotels for supply of food and subsequent distribution to those in need. She said that SWD had also encouraged other non-governmental organizations running similar service to link up with local food stores and food suppliers to make available unsold but edible food to the local under-privileged community.

93. Mr YICK Chi-ming said that there had been reports that operators of food assistance service had found it difficult to sustain operations due to high inflation. From what he gathered from service operators, Mr YICK said that many NGOs organized food assistance programmes in addition to the five operators who operated the government-funded Short-term Food Assistance Service. It was those NGOs that operated food assistance service at their own expense were experiencing funding shortage. The five operators of the Short-term Food Assistance Service had indicated that they still have surplus resources to sustain the service.

94. Mr YICK Chi-ming said that he had discussed with some supermarket operators who were willing to give away unsold food products to the operators running the Short-term Food Assistance Service, provided that these operators arranged their collection of the food products. On the other hand, service operators indicated that they had no spare resource to meet the transportation expenses as they could only incur not more than 15% of the Government funding on administrative costs.

95. Mr YICK Chi-ming asked if the Administration could consider any measures or arrangements so that operators could collect the food products from supermarkets for distribution to those in need. Mr YICK said that he would be willing to assist in co-ordinating the efforts between the service operators and supermarket management.

96. The Chairman commented that it was often difficult to arrange transportation late in the evening when supermarkets closed, and when surplus food became available for collection.

97. DSLW(Welfare)2 said that the provision on administrative costs would also be increased under the current funding proposal. Operators would have more flexibility in using the funding allocation to collect and deliver food from supermarket as necessary. He added that service operators had other means to provide food to service users, such as providing food coupons with which service users could exchange for food from local food stores or supermarkets.

98. DDSW(Services) explained that the funding condition that operators should not spend more than 15% of their subvention on administrative cost was made taking into account views of LegCo during previous discussion. The amount of funding provision available for administrative expenses would increase under the current funding proposal. Operators could consider making use of their enhanced provisions to arrange transportation of food products from various suppliers as necessary.

#### Other comments

99. Ms Emily LAU supported the funding proposal. She said that many people experienced a much sharper rate of increase in food price than the inflation statistics as stated in the paper (FCR(2013-14)21). She queried whether the inflation statistics were realistic. DSLW(Welfare)2 said that the inflation statistics on food prices were derived from the food component of the Consumer Price Index (A). He said that the index had been compiled consistently on the same basis to reflect the consumption pattern of the lower income households. DSLW(Welfare)2 supplemented that the provision for the Short-term Food Assistance Service should be sufficient as service operators would enjoy discount from food supplies by buying in large quantities. They were also able to obtain discounted food coupons from local restaurants. These measures would help keep the operating cost low and the impact of inflation on the service would be much reduced.

100. Dr Fernando CHEUNG supported the funding application. He said that it was inconceivable how an affluent society as Hong Kong could still leave more than 100 000 people suffering from lack of food. The fact that the Short-term Food Assistance Service had been operating since 2009 illustrated that the problem had persisted. Dr CHEUNG said that the continued need for the Short-term Food Assistance Service reflected a serious flaw in the current

welfare system that so many people in dire need of support had left outside the safety net.

101. Dr Fernando CHEUNG said that service users could collect food under the Short-term Food Assistance Service for six to eight weeks. He said that the service period was too short as many of the service users would not be able to get out of their difficult situation within this period.

102. Dr Fernando CHEUNG noted that 17.8% of the service users were individuals or families encountering sudden changes and facing immediate financial hardship. Dr CHEUNG commented that these people should have been captured under the current social security safety net, and they should not have to seek help from the Short-term Food Assistance Service.

103. DSLW(Welfare)2 responded that the Short-term Food Assistance Service was one of the many support services available to those in need. He acknowledged that there was room for improvement in the current social security regime. For this reason, CS chaired CoP to co-ordinate efforts in implementing measures to help low-income persons. He added that the proposed increase of the maximum service period from six to eight weeks under the Short-term Food Assistance Service could meet the needs of the majority of service users. Service operators could further extend the service to individual users on the basis of their actual needs. The Chairman said that further discussion on the current welfare or social security policies should be held at the respective Panel.

104. As the scheduled time for the meeting was up, the Chairman adjourned the meeting and said that the deliberation of outstanding items on the agenda would continue at the next meeting to be held at 5:40 pm on the same day.

105. The meeting was adjourned at 5:30 pm.