

立法會
Legislative Council

LC Paper No. FC127/20-21
(These minutes have been
seen by the Administration)

Ref : FC/1/1(44)

Finance Committee of the Legislative Council

Minutes of the 45th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 25 September 2020, from 9:00 am to 1:02 pm and
from 2:30 pm to 6:58 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen

Hon CHAN Han-pan, BBS, JP
Hon LEUNG Che-cheung, SBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung, JP
Hon Dennis KWOK Wing-hang
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Hon Elizabeth QUAT, BBS, JP
Hon Martin LIAO Cheung-kong, GBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, BBS, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon LAM Cheuk-ting
Hon SHIU Ka-fai, JP
Hon SHIU Ka-chun
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan, JP
Dr Hon Pierre CHAN
Hon Tanya CHAN
Hon CHEUNG Kwok-kwan, JP
Hon HUI Chi-fung
Hon LUK Chung-hung, JP
Hon LAU Kwok-fan, MH
Hon Kenneth LAU Ip-keung, BBS, MH, JP
Dr Hon CHENG Chung-tai
Hon KWONG Chun-yu
Hon Jeremy TAM Man-ho
Hon Vincent CHENG Wing-shun, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon WONG Kwok-kin, SBS, JP
Hon Holden CHOW Ho-ding

[According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being a member of the Legislative Council on 30 July 2020.]

Public officers attending:

Mr Christopher Hui Ching-yu, JP	Secretary for Financial Services and the Treasury
Mr Joseph CHAN Ho-lim, JP	Under Secretary for Financial Services and the Treasury
Ms Alice LAU Yim, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Raistlin LAU Chun, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Mike CHENG Wai-man	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Matthew CHEUNG Kin-chung, GBM, GBS, JP	Chief Secretary for Administration
Ms Angelina KWAN Yuen-ye, JP	Head, Human Resources Planning and Poverty Co-ordination Unit, Chief Secretary for Administration's Private Office
Miss Carrie CHANG Kar-wai	Administrative Assistant to Chief Secretary for Administration
Mr Edward YAU Tang-wah, GBS, JP	Secretary for Commerce and Economic Development
Mr Joe WONG Chi-cho, JP	Commissioner for Tourism
Mr Patrick NIP Tak-kuen, JP	Secretary for the Civil Service
Mr Kevin YEUNG Yun-hung, JP	Secretary for Education
Dr CHOI Yuk-lin, JP	Under Secretary for Education
Prof Sophia CHAN Siu-chee, JP	Secretary for Food and Health

Miss Amy YUEN Wai-yin, JP	Deputy Secretary for Food and Health (Health) ²
Miss Vivian LAU Lee-kwan, JP	Director of Food and Environmental Hygiene
Dr Constance CHAN Hon-ye, JP	Director of Health
Dr Tony KO Pat-sing	Chief Executive, Hospital Authority
Mr Caspar TSUI Ying-wai, JP	Secretary for Home Affairs
Mr Jack CHAN Jick Chi, JP	Under Secretary for Home Affairs
Mr YEUNG Tak-keung, JP	Commissioner for Sports
Miss Vega WONG Sau-wai, JP	Deputy Director of Home Affairs (2)
Mr Alfred SIT Wing-hang, JP	Secretary for Innovation and Technology
Dr LAW Chi-kwong, GBS, JP	Secretary for Labour and Welfare
Ms PANG Kit-ling	Assistant Director of Social Welfare (Family and Child Welfare)
Mr Frank CHAN Fan, JP	Secretary for Transport and Housing
Miss Rosanna LAW Shuk-pui, JP	Commissioner for Transport
Mr Michael WONG Wai-lun, JP	Secretary for Development
Mr LIU Chun-san, JP	Under Secretary for Development

Clerk in attendance:

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

Staff in attendance:

Ms Angel SHEK	Chief Council Secretary(1)1
Miss Bowie LAM	Council Secretary (1)1
Miss Queenie LAM	Senior Legislative Assistant (1)2
Mr Frankie WOO	Senior Legislative Assistant (1)3
Miss Mandy POON	Legislative Assistant (1)1
Miss Yannes HO	Legislative Assistant (1)7
Ms Clara LO	Legislative Assistant (1)9
Ms Haley CHEUNG	Legislative Assistant (1)10

Action

Dealing with matters relating to points of order

At the beginning of the meeting of the Finance Committee ("FC"), the Chairman urged members standing in front of the seat of the Chief Secretary for Administration ("CS") to return to their seats. These

members then returned to their seats one after another. The Chairman also urged members to remove displays not related to the meeting.

2. Ms Claudia MO, Mr James TO and Mr Jeremy TAM stated that the 12 Hong Kong citizens currently detained in Mainland China were also people who could benefit from the financial proposals (i.e. injection into the Anti-epidemic Fund ("AEF") and other related measures) under discussion today. Therefore, it was relevant to the meeting today that they urged the Administration to negotiate with Mainland authorities and request the release of the 12 people. These members and Mr KWONG Chun-yu called on CS to meet with the families of these people in Hong Kong as soon as possible, and provide support for the 12 people in Mainland China so that they could be released earlier. Mr HUI Chi-fung was of the view that members were responsible for examining whether the Administration had suppressed human rights and freedom under the pretence of anti-epidemic measures. He did not agree that the objects displayed were not relevant to the meeting today.

3. The Chairman ruled that objects displayed by relevant members were not relevant to the meeting and could not be displayed at the meeting. At 9:05 am, the Chairman instructed Mr LAM Cheuk-ting not to make video recordings in the meeting room. At 9:07 am, the Chairman instructed staff to remove objects displayed on the seats of members who were not present, and reminded some members not to yell in their seats.

4. Ms Claudia MO stated that as the funding proposal submitted for approval today was extensive in scope and involved a huge amount of estimated expenditure, she suggested the Chairman give each member an additional five minutes of speaking time, so as to allow members sufficient time to ask questions. The Chairman stated that he was of the view that the established arrangements for speaking time should be adhered to.

5. The Chairman reminded members of the requirements under Rule 83A and Rule 84 of the Rules of Procedure.

Item 1 — FCR(2020-21)71

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

Subhead 700 — General non-recurrent

Item 803 — Anti-epidemic Fund

HEAD 37 — DEPARTMENT OF HEALTH

Subhead 700 — General non-recurrent

New item — "Procurement and Administration of coronavirus disease-2019 Vaccines"

HEAD 140 — GOVERNMENT SECRETARIAT: FOOD AND HEALTH BUREAU (HEALTH BRANCH)

Subhead 000 — Operational expenses

Subhead 700 — General non-recurrent

New Item — "Special Support Scheme for Hospital Authority's chronic disease patients living in the Guangdong Province to sustain their medical consultation under coronavirus disease-2019"

HEAD 170 — SOCIAL WELFARE DEPARTMENT

Subhead 700 — General non-recurrent

Item 809 — Special Scheme of Assistance to the Unemployed

Item 811 — Short-term food assistance

6. The Chairman advised that this item sought the approval of FC for:

- (a) an increase in commitment by \$5.4 billion from \$150.5 billion to \$155.9 billion under Head 142 Government Secretariat: Offices of the Chief Secretary for Administration and Financial Secretary Subhead 700 General non-recurrent Item 803 for injection into the AEF to provide funding for enhancing the capability in combating the epidemic, and providing targeted relief to individuals and businesses hard hit by the coronavirus disease-2019 epidemic and directly affected by the Government's anti-epidemic and social distancing measures;
- (b) creation of a new commitment of \$8,441.3 million under Head 37 Department of Health Subhead 700 General non-recurrent for procurement and administration of vaccines against the epidemic;
- (c) under Head 140 Government Secretariat: Food and Health Bureau (Health Branch) – (i) a supplementary provision of \$2,019 million under Subhead 000 Operational expenses in 2020-2021 to provide additional subvention to the Hospital Authority ("HA") to combat the winter surge or the next wave of epidemic; and (ii) a new commitment of \$103.8 million under Subhead 700 General non-recurrent for setting up a

designated fund to implement a special support scheme to provide subsidised consultation sessions at the University of Hong Kong - Shenzhen Hospital ("HKUSZH") for Hospital Authority's chronic disease patients who are unable to return to Hong Kong for receiving their scheduled medical consultations in HA owing to travel restrictions during the coronavirus disease-2019 outbreak;

- (d) an increase in commitment by \$127 million from \$1,132 million to \$1,259 million under Head 170 Social Welfare Department ("SWD") Subhead 700 General non-recurrent Item 811 to meet the increase in demand for short-term food assistance; and
- (e) an extension of the Special Scheme of Assistance to the Unemployed under the Comprehensive Social Security Assistance Scheme ("CSSA") for six months from 1 December 2020 to 31 May 2021, with the expenditure to be met with existing provisions under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 809 Special Scheme of Assistance to the Unemployed.

7. Mr Alvin YEUNG, Mr KWONG Chun-yu, Ms Claudia MO, Mr Andrew WAN, Mr James TO and Dr KWOK Ka-ki enquired how the Administration would follow up on the detention of 12 Hong Kong people by Mainland law enforcement agencies in recent months, including whether CS would lead relevant officials to meet with the families of the 12 people, and calling on Mainland authorities to release these people. Mr YEUNG also asked about the channels for these detainees to apply for subsidies under the relief measures. CS stated that the enquiries of members were irrelevant to the funding proposal at this meeting. Relevant bureaux and departments would contact the Mainland authorities concerned regarding the demands of family members in accordance with established mechanism through the Hong Kong Economic and Trade Office in Guangdong ("the Guangdong ETO") of the Hong Kong Special Administrative Region ("HKSAR"). He urged members to approve the funding proposal as soon as possible, so that the public with financial needs would receive assistance.

8. The Chairman reminded members that contents of questions asked had to be related to the funding proposal; otherwise, he would consider stopping relevant members from speaking.

Provision of subsidies to affected sectors

Beauty parlours, massage establishments and fitness centres

9. Mr SHIU Ka-fai stated that, upon the new wave of epidemic outbreak, certain premises, including beauty parlours, massage establishments and fitness centres, were ordered to suspend business again, and the length of closure was longer than that of the previous round of social distancing measures. However, government subsidies for these premises this time were only equal to half of the amount they could receive under the second round of AEF in general. Mr SHIU enquired about the reasons for that. Ms Tanya CHAN expressed similar concerns. Mr SHIU was of the view that despite the inadequacies, the Government's relief measures provided certain protection for enterprises and employment.

10. CS advised that:

- (a) the funding proposal today, together with the funding of the first two rounds of AEF, involved a spending of nearly \$300 billion on the part of the Administration; and the fiscal deficit of this financial year would reach more than \$300 billion, leading to a reduction in the Government's fiscal reserves to some \$800 billion, equivalent to 12 to 13 months of government spending. The Administration would face a critical public finance situation ahead;
- (b) the Administration expected a high chance of a fourth wave of outbreak in the winter, coupling with the influenza surge then, so it had to be well prepared;
- (c) with an uncertain global economic outlook and the impact of the epidemic, economic and trade activities between Hong Kong and Mainland China had yet to fully recover, so the Government had to exercise fiscal prudence and take into account the local economic situation when introducing a new round of relief measures;
- (d) apart from providing cash assistance to businesses and premises directly affected by the Government's various anti-epidemic and social distancing measures, the Administration also launched other support measures for different sectors, including electricity subsidies, waiving water and sewage charges. Furthermore, the Administration also provided eligible tenants of government land with different

rental or fee concessions. He considered that these cash assistance and various fee waivers/concession measures could focus on supporting affected businesses and individuals; and

- (e) subsidies to beauty parlours, massage establishments and fitness centres etc. were ex-gratia payment disbursed to businesses on the list of scheduled premises under the Prevention and Control of Disease (Requirements and Directions)(Business and Premises) Regulation (Cap. 599F) and relevant individuals, and were not compensation made by the Government to affected sectors.

Catering industry

11. Mr Tommy CHEUNG stated that the catering sector was inevitably disappointed that the subsidy amount under the new round of relief measures failed to match the subsidy amount under the second round of AEF. Mr CHEUNG stated that the three types of premises of karaoke establishments, nightclubs and bars/pubs were ordered to be closed under Cap. 599F for some time; and the Administration did not take into account the area of these establishments in the distribution of subsidies, in which a flat rate of \$25,000 was disbursed to each establishment. Mr CHEUNG enquired whether the subsidy amount could be doubled. Mr CHEUNG also enquired whether the Administration would have other measures to support premises ordered to be closed under Cap. 599F in the future; if so, he enquired about the details.

12. CS clarified that eligible catering outlets directed under Cap. 599F to close the whole of their licensed premises, including karaoke establishments, nightclubs and bars/pubs, were eligible for a further one-off subsidy of \$25,000, apart from a one-off subsidy according to the licensed area of their premises in operation. He stated that depending on the epidemic development and the implementation of social distancing measures, the Administration would draw reference from suggestions made by members when launching other support measures (if any) in the future.

13. Mr Tommy CHEUNG stated that the third round of AEF did not provide holders of food factory licence with subsidies. He enquired, if the funding reserved for the catering industry in the third round of AEF had not been exhausted, whether the Administration would consider using the remaining funds to subsidise the above-mentioned licence holders or other catering outlets in need. In response, CS advised that the Government was willing to plug any gaps in its measures. If there were unused funds in AEF, it would consider whether to subsidise specific sectors/industries.

14. Mr Tommy CHEUNG stated that the catering sector supported the Government's rates concession for non-domestic tenements in the third and fourth quarters of 2020-2021, in which a ceiling of \$5,000 was imposed per quarter. He enquired whether the Administration could raise the concession ceiling or even abolish the ceiling, so as to grant rates exemption to non-domestic tenements for a specific period of time. Secretary for Financial Services and the Treasury ("SFST") stated that the rates concession for non-domestic tenements would be implemented until 31 March 2021. The Government would continue to monitor the state of affairs in society.

15. Dr Helena WONG pointed out that in the catering sector, business was generally carried out by operators instead of licence holders of the premises, but subsidies under the Catering Business Subsidy Scheme was only disbursed to eligible licence holders, while operators would not receive any subsidy. Dr WONG enquired whether the Administration would revise the relevant eligibility criteria.

16. Director of Food and Environmental Hygiene ("DFEH") responded that under "the Catering Business Subsidy Scheme" of the third round of AEF, when applying for subsidy, licence holders of relevant catering businesses had to indicate in the applications whether the catering business within the licensed premises was operated by licence holders or operating partners, and submit necessary documents according to relevant requirements, while operating partners had to sign and confirm the above in the applications. The Government was of the view that under the new arrangement, licence holders had to communicate with operating partners before applying for subsidies under the Scheme concerned.

Sports, performing arts, culture and publication sectors

17. Dr CHENG Chung-tai pointed out that some subsidy schemes (e.g. "Arts and Culture Sector Subsidy Scheme - Subsidy to individual arts practitioners and freelancers") was unable to cover some individual arts practitioners and freelancers. The Administration should actively consider promoting the "Universal Basic Income" policy.

18. Mr MA Fung-kwok expressed support for the funding proposal. Mr MA pointed out that the industry chain of the performing arts and culture sector he represented involved a large number of professions and job types. Many of the practitioners were freelancers and self-employed persons, which stood at around 100 000 people. Most of them did not have Mandatory Provident Fund ("MPF") accounts. Only around

40 000 people could provide sufficient proof and benefit from a one-off grant (\$7,500) disbursed to each person by AEF earlier. Under the present subsidy scheme, the Government would disburse a one-off subsidy of \$5,000 to each eligible person. In other words, a large number of practitioners who worked as freelancers in the sector still could not receive assistance. Although the Administration said that no subsidies were offered to this group of people owing to difficulty in identification, the sector had indicated that it was ready to assist the Government in identifying them; if the Government was willing to disburse \$7,500 subsidy per person for all practitioners in the performing arts and culture sector, the expenditure would only be a few hundred million dollars. On the other hand, he previously suggested the Government utilise the Film Development Fund to assist practitioners of the film industry, yet it was also rejected by the Government. He criticized the Government for its apathy in assisting the sector.

19. CS stated that relevant bureaux or departments had been communicating with Mr MA all along. Regarding the issues concerning pyrotechnic effects production companies and their practitioners as referred to by Mr MA, he had referred the issue to the Commerce and Economic Development Bureau for follow-up. If there were suitable organisations with recognition in the sector that could assist the Government with identifying the identity of members of the sector, the Administration was pleased to explore and follow up.

20. Mrs Regina IP stated that as performance venues of some art performers were not venues under the Leisure and Cultural Services Department ("LCSD"), these artists might not benefit from the Government's subsidy scheme, and the arrangements for resumption of performances were also uncertain. She expressed concerns about this. The Secretary for Food and Health ("SFH") stated that the Secretary for Home Affairs ("SHA") was responsible for discussion with artists performing at LCSD's performance venues on arrangements for resuming performance upon easing of the epidemic and enforcing infection control measures. The webpage of the Department of Health ("DH") also contained relevant suggestions and information.

21. Ms Tanya CHAN pointed out that the length of closure of sports venues during the third wave of the epidemic was longer than that during the first two waves of the epidemic, but the Administration provided registered sports coaches with a relief grant of only \$5,000 under the third round of AEF, which was lower than the \$7,500 disbursed in the second round. She was also concerned that a large number of athletes representing Hong Kong in competitions found it difficult to train to

maintain fitness as training places were closed due to the epidemic; certain sports, such as baseball or softball, were also not suitable for training at home. She enquired whether the Administration could provide these athletes with appropriate support or subsidies, so that they could resume regular training and continue to represent Hong Kong in competitions.

22. In response, the Commissioner for Sports advised that the Hong Kong Sports Institute ("HKSI") implemented closed management starting from the end of July due to the epidemic. Around 200 athletes and coaches stayed in HKSI for training while other athletes had to follow instructions from coaches and train at home. He stated that with the stabilisation of the epidemic, HKSI would allow more athletes to return for training. As for members of Hong Kong teams in such team sports events as baseball and softball, team training was inapplicable due to closure of ball courts, and only individual training could be conducted. With the gradual reopening of relevant venues in the past few weeks, athletes were gradually returning to normal training.

Tutorial schools and school service providers

23. Dr CHENG Chung-tai was of the view that the amount of the third round of AEF was insufficient for supporting businesses and the public hard hit by the epidemic and directly affected by the Government's various anti-epidemic and social distancing measures. Dr CHENG specifically pointed out that the subsidy amount was far from sufficient for some businesses that had been suspended for a long time, including registered tutorial schools. Mr LEUNG Yiu-chung also expressed similar concerns.

24. Mr IP Kin-yuen pointed out that tutorial schools were closed for more than 200 days due to the epidemic, but each tutorial school only received a subsidy of \$40,000 under the second round of AEF; the amount was even reduced to \$20,000 under the third round of AEF, which was even lower than subsidies received by amusement game centres or mahjong premises etc. He enquired about the reasons for that.

25. Mr IP Kin-yuen also requested the Administration to provide supplementary information for reasons for the requirement that tutorial schools applying for subsidy under the second round of AEF had to be registered under the Education Ordinance (Cap. 279) and "were in operation in the three months immediately before class suspension (i.e. November and December 2019 and January 2020)" (please refer to Enclosure D9 to FCR(2020-21)2); while the proposal under deliberation for providing tutorial schools with financial assistance (please refer to Enclosure A12 to FCR(2020-21)71) specified that tutorial schools applying

for subsidy had to be registered under the Education Ordinance on or before the planned resumption of face-to-face classes on 23 September 2020 and were in operation on the date of invitation of application. He called on the Administration to consider and adjust the eligibility criteria of the former, aligning the requirement for the operating date with the one set out in Enclosure A12 to FCR(2020-21)71.

26. Under Secretary for Education ("US(Ed)") stated that the subsidy provided by the Administration to tutorial schools was similar to that of kindergartens and primary and secondary schools, and tutorial schools could also apply for wage subsidies under the Employment Support Scheme ("ESS"). For example, a tutorial school with 10 employees could receive a subsidy of up to \$270,000 in three months. She was of the view that it was inappropriate for Mr IP Kin-yuen to draw comparison in respect of subsidies received by amusement game centres and mahjong premises. Under the third round of AEF, tutorial schools were eligible to apply for relief grants as long as they were registered under the Education Ordinance on or before the planned resumption of face-to-face classes on 23 September 2020 and were in operation on the date of invitation of application. As for registration requirements for the second round of AEF, she believed that they were established on the basis of the announced period of class suspension then. She would provide further information after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC295/19-20(02) on 28 September 2020.]

27. Mrs Regina IP stated that the Administration had not launched any support scheme for playgroups at all. She suggested that the Administration lay down a number of operational requirements so that relevant operators would be eligible for receiving AEF subsidies.

28. Mr LEUNG Yiu-chung stated that some sectors, including tutorial schools not registered under the Education Ordinance and music centres which organised music courses, were still unable to benefit from the subsidy under the third round of AEF. Mr LEUNG expressed dissatisfaction in this respect.

29. Secretary for Education stated that playgroups were not schools registered under the Education Ordinance which provided education courses. During the epidemic, the suspension of face-to-face classes as instructed by the Education Bureau ("EDB") was not compulsory for playgroups. Therefore, EDB did not plan to cover playgroups in the

subsidy scheme administered by the bureau. CS added that as playgroups were not scheduled premises under Cap. 599F, they were not ordered to close and therefore the two types of premises should not be treated in the same way. CS also stated that as the Administration could not verify the operation status and actual conditions of education centres and playgroups not registered by EDB, it did not intend to provide subsidies to these organisations.

30. Mr Wilson OR enquired why the Administration did not provide subsidies to instructors and coaches engaged by kindergartens to offer instructions and training to students or develop students' relevant interests and potential. US(Ed) responded that:

- (a) as primary and secondary schools adopted the model of life-wide learning activities to develop students' relevant interests and potential, schools generally would collaborate with instructors, coaches, trainers and operators of interest classes. Therefore, the Administration suggested providing support for instructors and coaches affected by the suspension of classes during the epidemic; and
- (b) in contrary to primary and secondary schools, the kindergarten curriculum adopted an integrated theme approach for teaching. In addition, kindergarten students were still in the developing stage in many aspects and needed to have enough time to rest. EDB also hoped that parents and children had more time for parent-child interaction and playing, while not encouraging specific training from professional coaches for young children after class.

31. Ms Alice MAK pointed out that kindergartens had suspended classes since early this year due to the epidemic, and some industries providing services to kindergartens (e.g. bedding items and cleaning service providers) lost income as a result. She enquired whether EDB would provide subsidies to these service providers. US(Ed) stated that the outsourcing of bedding and cleaning services by kindergartens as mentioned by Ms MAK only happened rarely. Currently the third round of AEF mainly provided subsidies to school service providers such as school bus drivers and escorts.

Aviation and transport sectors

32. Mr CHAN Han-pan thanked the Administration's provision of subsidies to registered owners of non-franchised buses and school buses.

Mr CHAN pointed out that cross-boundary passenger transport had not resumed, and the operation of cross-boundary coaches ("CBCs") and cross-boundary car rental sectors still nearly came to a complete standstill. However, operators of CBCs still had to pay insurance and vehicle examination fees in the two places. He was of the view that the Administration should formulate a specific support scheme for the cross-boundary passenger service sector. Mr CHAN enquired whether the Administration could transfer the unspent balance of the first two rounds of AEF to support the above-mentioned CBCs and car rental sectors.

33. Mr Frankie YICK stated that even if cross-boundary travel was fully resumed, cross-boundary passenger service still needed some time to fully recover. Mr YICK called on the Administration to launch a new round of support measures in due course to support these sectors and employees. Furthermore, during the epidemic, cross-boundary transport drivers never stopped providing freight transport services to Hong Kong people, enabling Hong Kong to have a stable supply of necessities. However, in the face of the recently tightened quarantine requirements on the Mainland, the time required for freight transport increased while the overall freight volume decreased, causing a reduction in income of cross-boundary transport drivers. Mr YICK was of the view that the Administration should recognise the contribution of these cross-boundary transport drivers to Hong Kong during the epidemic and disburse special grants to them. Mr Wilson OR expressed concerns about the insufficient support provided by the Administration to cross-boundary passenger service drivers.

34. Mr Frankie YICK also pointed out that the patronage of local passenger transport dropped significantly and the income of vehicle owners decreased. Mr YICK urged the Administration to subsidise fixed costs such as vehicle insurance premium payable by taxi and light bus owners and continue to support kaito service operators. Furthermore, other related sectors, including driving instructors, vessel maintenance, car rental and car beauty sectors, were also affected by the epidemic. However, the three rounds of AEF launched by the Administration did not have support schemes specifically for these sectors/practitioners. Mr YICK suggested that the Administration utilise the contingency funds reserved under AEF to support these sectors and their employees.

35. CS responded that the first two rounds of AEF came with contingency funds, but as the two rounds of AEF still had 57 schemes under implementation and some of these schemes even required additional funding, it was currently not certain whether there would be any unused funds for closing the gaps after all the schemes were completed.

CS stressed that the Government had launched a basket of measures to assist employees in different sectors, including ESS and support schemes for other sectors.

36. Secretary for Transport and Housing ("STH") stated that measures introduced this time aimed to provide support for premises affected by the epidemic and which had completely/almost completely ceased operation by order under Cap. 599F. He stated that the Government prepared to continue to follow up on the demands of the transport sector with members after the meeting. He added that every time AEF was launched, the Government did support the cross-boundary passenger service sector. Taking into account the latest round of the subsidy scheme, a subsidy of \$65,000 in total would be given to each cross-boundary tour service coach and shuttle bus.

37. Ms Alice MAK stated the present support measures by the Administration for industries affected by the new wave of epidemic outbreak did not include any measures for employees in the aviation sector. Mr LUK Chung-hung criticized the unfair arrangement that some companies which made profits under the epidemic could still apply for wage subsidies under ESS, but some businesses hard hit by the epidemic, such as the civil aviation sector, did not receive any support. He pointed out that civil aviation practitioners concerned were all forced to cut salaries or take no pay leave. He enquired whether the Administration would formulate industry support measures for the practitioners concerned, e.g. providing assistance through the Airport Authority Hong Kong ("AAHK").

38. Mr Jeremy TAM was of the view that the Cathay Pacific Airways Limited and its wholly-owned subsidiaries ("the Cathay Group") announced earlier that they would not apply for the subsidy under the second tranche of ESS, which meant that massive layoffs were likely. Mr TAM pointed out that the Administration injected a large amount of money into the Cathay Group previously, and appointed two persons as observers of the Board of the Group, which aroused his concern as to whether the Administration knew in advance the Cathay Group's decision of not intending to apply for the second tranche of ESS, and the Administration's position on the Cathay Group's layoff plan. Mr LUK Chung-hung expressed concerns about Cathay Pacific Airways Limited's decision not to apply for the second tranche of ESS and the rumour of the layoff plan.

39. STH replied that:

- (a) the primary aim of the Government's capital injection into the Cathay Group was upholding Hong Kong's status as an international aviation hub and to prepare for a healthy recovery of the local aviation sector after the epidemic;
- (b) the Government hoped that the Cathay Group would also take the interests of its employees into account when making commercial decisions to retain strength; and
- (c) the Civil Aviation Department did not receive prior notice that the Cathay Group would not apply for subsidy under the second tranche of ESS.

40. Mr Frankie YICK stated that all aviation-related industries had been hit hard by the epidemic. Although the Government and AAHK had provided support for the sector and the third round of AEF also provided subsidies to the aviation sector, but the amount was just minimal. He pointed out that the aviation sector was labor-intensive, and salary expenses accounted for more than 70% of the total cost. However, considering the needs that would arise after the airport resumed normal operation in the future, it was difficult for some sectors to cut expenses by layoffs. The companies concerned also needed to retain employees to ensure sufficient availability of talents in the future. He asked whether the Government could follow the example of Singapore and South Korea etc. and provide additional subsidies to the aviation sector.

41. STH stated that a large number of airlines and airports closed due to the epidemic. For the freight sector, salaries accounted for 75% of its total expenditure. Therefore, the Government wished to provide subsidies to relevant companies through ESS for them to retain employees. The Government also hoped that the sector would retain professionals such as aircraft maintenance personnel as far as possible, so that the aviation sector would have sufficient talents to support its development upon recovery. He expected that when the epidemic was under control, a limited flow of personnel and freight could be resumed gradually.

Tourism industry

42. Mr YIU Si-wing stated that under the present "Tourism Industry Support Scheme", around half of the agents in the sector could only receive up to \$20,000 of cash grants. Mr YIU was of the view that the subsidy was severely insufficient, and suggested the Administration follow the

practice of the first round of AEF to disburse subsidy at a flat rate of \$80,000 to each licensed travel agent. Mr Wilson OR enquired how the authorities would assist small travel agents.

43. Secretary for Commerce and Economic Development ("SCED") advised that:

- (a) the Administration understood the difficulty in operation faced by the tourism industry under the epidemic. Therefore, subsidies were provided to licensed travel agents and relevant practitioners under the relief measures launched in all three rounds of AEF;
- (b) with the launch of the "Tourism Industry Support Scheme", a total commitment of \$80 million was given to licensed travel agents in the form of cash grants, which was higher than the commitment of the corresponding scheme under the second round of AEF. The Government also introduced measures to boost local tourism earlier; however, due to the resurgence of the epidemic, the measures had yet to be fully implemented;
- (c) apart from the subsidy in two rounds of ESS, since the outbreak of the epidemic, the Government provided a total of nearly \$1.76 billion in cumulative commitment of support for the travel sector through three rounds of AEF. Small licensed travel agents received a subsidy of \$80,000 each in the first round of AEF and at least \$20,000 each in the second round, while in the third round, subsidies for licensed travel agents were directly proportional to the number of staff members, and travel agents could receive a subsidy of \$5,000 for every employee hired; and
- (d) licensed travel agents which received subsidies could still apply for subsidy under the second tranche of ESS.

44. Ms Alice MAK was concerned that accredited tour escorts and tourist guides who provided local tour services could not benefit from the "Tourism Industry Support Scheme". She enquired whether the Administration would consider relaxing the eligibility criteria of the Scheme to benefit more practitioners in the tourism industry.

45. The Commissioner for Tourism stated that the "Tourism Industry Support Scheme" mainly assisted the inbound and outbound tourism sector and its practitioners. Practitioners in other relevant sector could also

benefit from the "Green Lifestyle Local Tour Incentive Scheme". He believed that as soon as the "No-gathering Order" was slightly relaxed, local tourism activities would recover.

Financial services sector

46. Mr Christopher CHEUNG stated that the epidemic and the tension between China and the United States in recent years had caused grave difficulty in the operation of securities dealers. Even though the Administration did not propose any schemes to support the financial services sector in the present relief measures, the sector still supported the funding proposal. Mr CHEUNG asked about the Administration's policies on helping securities dealers to reduce operating cost (including transaction costs); and the implementation timetable for the "Financial Industry Recruitment Scheme for Tomorrow" set up under the second round of AEF.

47. SFST responded that:

- (a) apart from providing financial assistance to small and medium-sized securities dealers and licence holders in the securities industry under the second round of AEF, the Administration also committed to improving the transaction capabilities of securities dealers, including providing platforms for matching securities dealers with financial technology service providers, allowing the latter to provide securities dealers with technological solutions that facilitated the execution of securities transactions, thereby reducing transaction costs borne by securities dealers;
- (b) the mode of operation of the Hong Kong Exchanges and Clearing Limited ("HKEx"), including the collection of transaction fees from exchange participants, belonged to the internal operation of the HKEx; and
- (c) the Administration would announce the details of the implementation of "Financial Industry Recruitment Scheme for Tomorrow" at the end of September.

Party rooms

48. Mr Frankie YICK stated that chartered pleasure vessels were defined as party rooms by the Food and Health Bureau ("FHB") during the epidemic and were also ordered to close. However, neither in the list of

scheduled premises under Cap. 599F nor in the paper for discussion did the Administration expressly state that chartered pleasure vessels were also eligible for the subsidy scheme applicable to party rooms. Although after the launch of the second round of AEF, the Administration also disbursed a subsidy of \$20,000 to relevant vessel owners (party room licence holders received a subsidy of \$40,000), Mr YICK hoped that the Administration would include chartered pleasure vessels in the subsidy scheme for party rooms. The Administration noted the suggestion.

Social welfare services

49. Dr Fernando CHEUNG pointed out that during the epidemic, most of the Government departments/organizations providing services to the underprivileged groups suspended their services, putting carers under tremendous pressure. Mr CHEUNG was of the view that the Administration should allocate resources to relevant service organizations, allowing service providers to continue offering home care services to the underprivileged groups.

50. Secretary for Labour and Welfare ("SLW") explained that owing to a severe shortage of Personal Protective Equipment ("PPE") during the initial stage of the outbreak, social welfare organizations said it was difficult to require employees to maintain services. After the epidemic had eased slightly, the Administration kept contacting service providers in the hope that services would be resumed as soon as possible.

Cleaning and security workers

51. Mr Wilson OR enquired whether the third round of AEF would continue to disburse hardship allowance to cleaning and security workers. In response, SHA advised that, under the first round of AEF, the Administration provided property management workers (i.e. cleaning and security workers) on the anti-epidemic frontline with financial assistance for the purchase of cleaning supplies and protective equipment, benefiting a total of around 160 000 people between February and August this year. The Administration would continue to pay attention to the situation of the relevant personnel and provide assistance in due course.

Design sector

52. Mr CHUNG Kwok-pan enquired about the areas of work of individual arts practitioners and freelancers to be subsidised under the Arts and Culture Sector Subsidy Scheme, as well as the support for

self-employed freelancers who worked as graphic, fashion and interior designers.

53. SHA stated that the Administration mainly implemented the "Arts and Culture Sector Subsidy Scheme" with the assistance of the Hong Kong Arts Development Council and the Chinese Artists Association of Hong Kong, including the establishment of a database of practitioners active in the arts and culture sector. The fashion, graphic or interior design sectors were all not among the industries in the above-mentioned database. SCED stated that the Administration understood that the design sector was also affected by the epidemic, but no support scheme was specifically set up for the sector, considering that it suffered less damage than other sectors. Relevant persons, if eligible, could apply for subsidies of other support schemes.

Other sectors

54. Dr Priscilla LEUNG stated that self-employed persons of the following sectors could not benefit from the first two rounds of AEF: dry goods hawkers, estate agents, court interpreters, exhibition industry practitioners, hair stylists, fitness coaches, image consultants and photographers. Mr SHIU Ka-fai added that self-employed persons of the following sectors could not receive assistance from AEF as well: wedding planning, hairdressing, beauty, performing arts and bespoke tailoring.

55. Mr Martin LIAO stated that with the reduction in the Government's fiscal reserves and a much higher increase in government spending than the growth in revenue, coupled with an expected fiscal deficit of more than \$300 billion, it was no surprise that the new round of AEF would fail to fulfill the demands of different sectors. It did not mean that the Administration favoured any particular sector.

56. Mr LEUNG Che-cheung enquired whether those Hong Kong people who were in Mainland China but eligible for applying for subsidies under the relevant schemes or "the Cash Payout Scheme" could authorize their family members to apply and get the subsidy concerned on their behalf.

57. Mr POON Siu-ping stated that employees in many sectors relied on payment from overtime work as their main source of income. Currently, due to the epidemic, the income of these employees decreased significantly in the past few months, making it difficult for them to make ends meet. Mr POON enquired about the Administration's measures to assist these

employees, including whether it would consider providing living allowances for underemployed employees or even unemployed employees.

58. CS responded that he understood that income of practitioners in certain sectors decreased due to the epidemic, but it was not feasible for the Government to make up for the lost income of employees. It could only provide employers with some support in wage payment through ESS to protect the jobs of employees. He stressed that the relief measures funded by current round of AEF were mainly aimed at providing support for the list of scheduled premises under Cap. 599F. He added that the public's strict adherence to various anti-epidemic measures and maintenance of social distancing would put the epidemic under control, and economic activities would then be expected to restore early, so that the affected sectors and employees could fully resume work as soon as possible, thereby helping employees to emerge from financial distress.

Progress report of AEF

59. Mr CHAN Chi-chuen asked about the progress report of the implementation of the first two rounds of AEF. CS stated that in the discussion paper (FCR(2020-21)2) submitted to FC for the funding proposal for the second round of AEF, the Government illustrated in Enclosure A the progress of various measures and the disbursement of subsidies under the first round of AEF. Furthermore, the Government submitted another report (FC247/19-20(01)) to FC in mid-July 2020, explaining the implementation of various measures under AEF as at 26 June.

Subsidy scheme for promotion of contactless payment in public markets

60. Mr CHAN Chun-ying and Mr Tony TSE expressed concerns about whether the subsidy of \$5,000 was sufficient to attract tenants to adopt contactless payment as a mode of operation. Mr CHAN was of the view that the subsidy might only cover the installation cost and the handling charge payable to service providers in the first year, and use of contactless payment would increase the operating costs of tenants in the long run. Mr CHAN urged the Administration to discuss with service providers for them to offer an extra year's waiver of handling charge for tenants, thereby increasing the incentives for tenants to adopt contactless payment. Furthermore, Mr CHAN and Mr TSE suggested the Administration hire short-term staff to assist market tenants and customers in using contactless payment. Mr Tony TSE asked about the reasons that the scheme did not cover all public and private markets, and the performance indicators of the scheme.

61. SFH stated that it was believed that the proposed one-off grant and the public's needs for contactless payment service would be able to encourage tenants to actively adopt the service.

62. DFEH responded that:

- (a) there were around 13 500 market stalls under FEHD and the Hong Kong Housing Authority in total, accounting for a relatively large proportion of all market stalls in Hong Kong;
- (b) many private markets (e.g. markets managed by the Link Real Estate Investment Trust) introduced contactless payment earlier than the Government. The Administration's implementation of the subsidy scheme was aimed at offering a financial incentive to public market tenants by providing them with the hardware required for adopting the contactless payment model, so as to attract tenants to introduce new business practices and educate consumers to use contactless payment. The success of the scheme depended on a variety of factors;
- (c) the patronage, customer shopping habits and modes of operation of public and private market stalls were not entirely the same. Whether the \$5,000 subsidy was sufficient also depended on the scope of service of the contactless payment service providers and the fees charged. For example, for a service fee based on a fixed rate of 1.5% of tenants' business volume, a subsidy of \$5,000 was approximately equivalent to the service fee payable for a volume of more than \$300,000, while \$300,000 was often the business volume of some stall tenants for one year; and
- (d) the Administration contacted some potential service providers preliminarily in the hope that they would provide suitable service to tenants through competition.

Employment Support Scheme

63. Mr CHAN Hak-kan, Dr KWOK Ka-ki, Dr Helena WONG, Mr MA Fung-kwok, Mr CHEUNG Kwok-kwan, Mr IP Kin-yuen, Ms YUNG Hoi-yan and Mr LAM Cheuk-ting criticized the unfairness under ESS that even enterprises whose business defied market trend and grew during the epidemic could receive the subsidy, including supermarket

chains and the property management sector. Mr CHAN Hak-kan was of the view that the short-term ESS could only delay the closure of companies and employment.

64. Mr LAM Cheuk-ting noted that the Administration added new terms in the second tranche of ESS, requiring large property management companies to give back not less than 80% of wage subsidies to residential property owners, owners' corporations or building management organizations. He enquired whether the Administration could further request the relevant companies to give an account of the details of their give-back schemes, e.g. how many residential property owners would benefit and how much money would be involved. Mr LAM was also concerned that if small and medium-sized property management companies did not have to give back subsidies to residential property owners, the relevant subsidies would become net profits of these companies. He suggested that the Administration, when approving the subsidies under the second tranche of ESS for property management companies, should require the other party to disclose the give-back measures they had taken (including concession on management fees) for residential property owners after receiving subsidies under the first tranche of ESS.

65. The Chairman stated that he was the chairman of the owners' corporation of a large housing estate. After receiving the wage subsidies under the first tranche of ESS, its property management company gave back all subsidies to owners. He was of the view that other property management companies should also take the initiative to give back the subsidies to owners.

66. SLW stated that there were around 18 large property management companies (with more than 1 000 employees each) in Hong Kong. Among companies whose core business was property management, around half of them gave back 80% to 100% of management fees to owners after receiving subsidies under the first tranche of ESS. The Administration announced the conditions of application for the second tranche of ESS in early September, in which large property management companies that received the second tranche of wage subsidies had to submit give-back schemes. As application for the Scheme had already closed, it was not appropriate to amend the conditions of application at the moment.

67. Mr CHEUNG Kwok-kwan and Ms YUNG Hoi-yan stated that they had reservations about the give-back schemes due to the complexity of design which could not truly benefit the public. Ms YUNG gave an example that some supermarkets handed out cash coupons through lucky draws, which involved more than \$30 million. If the lucky draws were

joined by two million people, each person would receive less than \$20. Mr CHEUNG mentioned that some supermarkets in Singapore directly cut the prices of hundreds of daily necessities by 20% for six months, which was simple, straightforward and beneficial to all consumers. This was worthwhile for Hong Kong to follow suit. He enquired whether the authorities could specify under the second tranche of ESS that no subsidies would be disbursed to profitable supermarkets.

68. SLW explained that the design principle of the first and second tranches of ESS was to allow employers to receive subsidies as soon as possible to retain jobs. Take the first tranche of the Scheme as an example, within three days after the application deadline of the Scheme, the authorities already approved the first batch of applications. If other approval conditions were to be added, it would be difficult for the authorities to launch the Scheme in a short time. When launching the second tranche of the Scheme, considering the opinions in society that large enterprises should give back to society after receiving subsidies, the Government selected two supermarket chains and 18 large property management companies, requiring them to submit give-back schemes, which should be quantifiable and readily subject to public supervision.

69. Regarding the give-back schemes of the two supermarket chains, SLW stated that the authorities' assessment mainly considered whether the schemes could be quantified and how they could give back to the public. It would be difficult for the Government to monitor if supermarkets gave back to the public directly through price reduction.

70. Dr CHENG Chung-tai was of the view that it was inappropriate and unreasonable that the Administration required the two major supermarket groups to give back to the public and provide concessions including cash coupons under the second tranche of ESS, which was tantamount to requiring enterprises to perform part of the functions of SWD.

71. Mr CHAN Han-pan expressed concerns about whether the second tranche of ESS could effectively protect continuous employment.

72. SLW responded that in order to achieve the policy objectives in a "fast, simple and time-saving" manner, the Administration generally followed the principle of the first tranche when it launched the second tranche of ESS. However, drawing on the experience of the first tranche, the Administration considered that individual enterprises were capable of giving back to society and fulfilling their social responsibility. Therefore, it laid down corresponding requirements on the conditions for granting subsidies to individual supermarket chains.

73. Mr YIU Si-wing called on the Administration to actively consider whether to launch a third tranche of ESS and disseminate relevant information to the public as soon as possible, so that enterprises in various sectors could plan early to avoid massive closures and unemployment near lunar year end. Mr LEUNG Che-cheung expressed similar concerns.

74. SLW responded that the Administration currently did not plan to launch a third tranche of ESS.

75. Mr SHIU Ka-chun expressed concerns about whether subsidies under ESS were used properly and enquired about employers' breaches, the sequence of exposing breaches, the number of cases and the way the Administration handled the cases, including the penalties imposed and whether it would initiate criminal prosecutions against the employers concerned. Dr Fernando CHEUNG expressed dissatisfaction that the Administration only penalized employers who breached the rules with fines. Mr LUK Chung-hung also expressed concerns about the abuse of ESS.

76. SLW responded that cases of breaches usually involved natural wastage (e.g. retirement) of manpower and failure of individual enterprises to replenish their manpower in time. In such cases, the enterprises concerned had to return the overpaid subsidies to the Administration or pay a fine; the Administration would examine the layoff cases of individual enterprises which received subsidies before deciding further actions. The second tranche of ESS also clearly stated that if employers laid off employees between September and November, they had to return part/all of the subsidies to the Administration. If breach cases involved conduct constituting a criminal offence, the Administration would refer the cases to law enforcement departments for follow-up.

77. Mr Kenneth LAU stated that many proprietors of old catering outlets still continued to hire employees aged over 65. As these employees were exempted from joining the MPF Scheme, employers who applied for subsidies under the first tranche of ESS were not eligible for subsidies in respect of these employees. Mr LAU enquired whether the second tranche of ESS had relaxed the relevant eligibility criteria in this regard.

78. SLW explained that the second tranche of ESS covered employees aged 65 or above with MPF accounts, even if employers did not make voluntary contributions for the relevant employees. He stated that if employers' MPF record certificates only showed that employers hired

employees aged 65 or above without indicating the wages of the relevant employees or the amount of voluntary MPF contributions made by the employers, the subsidies would be calculated based on the number of such employees aged 65 or above hired by the employers at "a specified month", and employers would receive a monthly subsidy of \$5,000 for each employee.

79. Mr SHIU Ka-fai stated that despite criticisms from many members about ESS, he considered that the Scheme could indeed support employers who were not willing to lay off staff and protect the livelihood of older employees. Mr SHIU was of the view that under the "fast, simple and time-saving" objective, it was difficult to require the Administration to verify the operation of the enterprises applying for subsidies one by one.

Setting up more quarantine centres and related measures

80. Dr Fernando CHEUNG queried about the Administration's support measures for the elderly living in residential care homes, the homeless and the underprivileged groups during the epidemic.

81. CS responded that some of the funding for the third round of AEF would be used to meet the costs of setting up three quarantine centres at Hong Kong PHAB Association Jockey Club PHAB Camp, Cheung Muk Tau Holiday Centre for the Elderly and AsiaWorld-Expo ("AWE") from April to July 2020 respectively, and the operating costs up to the end of March 2021. The three above-mentioned quarantine centres were for elderly and disabled residents who became close contacts arising from the COVID-19 outbreak at residential care homes for the elderly ("RCHEs") and residential care homes for persons with disabilities and arranged personal care, nursing and health services during their quarantine period. For the elderly who passed away during the epidemic, CS expressed deep condolences to their families.

Procurement and administration of vaccines

82. Mr Charles Peter MOK enquired about the rights of the Administration in selecting COVID-19 vaccines under the COVAX Facility ("COVAX") and the arrangement of the Advance Purchase Agreements ("APAs"), the mechanism to be adopted in deciding the vaccines used eventually and the experts consulted on the choice and procurement of vaccines.

83. Mr WU Chi-wai expressed concerns about whether the unit price of the COVID-19 vaccines procured by the Administration was too expensive and the safety risks of the vaccines.

84. Mr LEUNG Che-cheung expressed concerns about the source and efficacy of the COVID-19 vaccines.

85. Mr LEUNG Yiu-chung was of the view that the Government might lead to wastage as it set aside a large amount of money for procuring vaccines. He suggested halving or reducing by 40% the proposed funding for the procurement of COVID-19 vaccines and implementation of the vaccination scheme, while the released resources could be used for filling the gaps and supporting industries which could not benefit from measures under AEF; if there were cost overruns in the procurement and administration of COVID-19 vaccines, the Administration could seek supplementary funding approval from FC in the future.

86. Mr HUI Chi-fung expressed concerns about whether the Administration would procure vaccines developed and manufactured in Mainland China. Mr HUI stated that a large sum of public money would be wasted if the Administration made bulk purchases of vaccines developed by Mainland China, while recording a low take-up rate among Hong Kong people.

87. Ms Elizabeth QUAT enquired whether the vaccines planned to be procured by the Administration would be sufficient for the vaccination of all Hong Kong people; if so, she enquired how to avoid a low take-up rate.

88. CS stressed that procurement of vaccines was an important investment as vaccination was the only way to contain the epidemic for Hong Kong economy to restart. If the relevant funding was reduced, Hong Kong would not be able to procure sufficient vaccines for the administration of all Hong Kong people.

89. SFH and Director of Health ("DoH") advised that:

- (a) at the advice of the Joint Scientific Committee on Emerging and Zoonotic Diseases and the Scientific Committee on Vaccines Preventable Diseases ("the Joint Scientific Committees") under DH and relevant expert groups, all people in Hong Kong should be administered COVID-19 vaccines. Therefore, the Administration was of the view that it was necessary to reserve funds for the procurement of vaccines and the implementation of vaccination plans in order to

compete with other parts of the world for vaccine purchase;

- (b) DH would procure suitable vaccines at the advice of the Joint Scientific Committees and relevant expert groups. Apart from proposing to purchase vaccine doses for 35% of Hong Kong population through COVAX, the Administration also planned to sign APAs with vaccine developers and procure at least two types of candidate vaccines from different vaccine developers and different vaccine platforms (vaccine platforms were not country-based) according to the suggestions of the Joint Scientific Committees and the Expert Advisory Panel. The procurement volume would be sufficient to supply the vaccine doses for at least twice the Hong Kong population to ensure that each member of the public would receive two doses of vaccination upon the launch of the universal vaccination scheme;
- (c) internationally, currently 35 types of COVID-19 vaccines listed as candidate vaccines were in different stages of clinical trials. Among them, nine candidate vaccines had undergone Phase 3 clinical trials; there was currently no vaccine that had completed and passed Phase 3 clinical trials;
- (d) the Administration entered into non-disclosure agreements with vaccine developers (including Mainland vaccine developers) with candidate vaccines undergoing Phase 3 clinical trials, in order to obtain necessary scientific evidence and clinical data for detailed analysis by the Joint Scientific Committees and experts;
- (e) currently, all vaccine developers which signed confidential agreements with the authorities were conducting Phase 3 clinical trials on their vaccines. If one of these vaccines was found to be ineffective, other vaccines would still be available for the vaccination of all Hong Kong people;
- (f) all drugs, including vaccines, had to pass the requirements on safety, efficacy and quality before they could be approved by regulatory agencies for registration and administration;
- (g) the Administration would decide the brands and types of vaccines to be ordered/procured on the basis of scientific evidence and clinical data; and would first seek the views of the Joint Scientific Committees and the Expert Advisory Panel

to the Chief Executive. Practical circumstances and constraints would also be taken into account. The mechanism of "lowest bid wins" would not be used to select suitable vaccines; and

- (h) as various developers were still testing their vaccines, the price for each dose provided by the Administration in the discussion paper was an estimated average price, and the actual procurement price might change.

90. Mr Kenneth LEUNG enquired whether the Administration had to make down payments for its participation in procurement of vaccines under COVAX and the signed APAs; and whether the Administration could recover its down payments if the two parties failed to complete transactions under the agreements.

91. Deputy Secretary for Food and Health (Health) 2 responded that under COVAX, the SAR Government chose the procurement method of "the Optional Purchase Arrangement", in which participants were afforded the flexibility to opt out of any vaccine offered to them by COVAX, and participants had to provide an upfront commitment of US\$3.5 per dose. If the Administration did not procure vaccines from COVAX according to the Optional Purchase Arrangement in the end, the SAR Government would be refunded the balance after deducting administrative costs and risk guarantee fees. As for the signed APAs, the arrangements for the refund of down payments had to be carried out according to the relevant agreement terms.

92. Mr CHAN Chi-chuen enquired about the number of vaccine doses that could be procured by the authorities through the above-mentioned mechanism and APAs respectively, and the number of Hong Kong people that the doses could vaccinate. Considering that globally as many as four candidate vaccines manufactured by Mainland China had currently entered Phase 3 clinical trials, he enquired whether the Administration could undertake to procure vaccines from no less than two countries to raise the confidence of Hong Kong people. As the Administration stated that it had signed non-disclosure agreements with more than one vaccine developers, and one of them was a Mainland company, he asked whether the authorities could disclose the countries or regions that the other manufacturers came from, and whether the signing of non-disclosure agreements involved public expenditure.

93. DoH stressed that scientific research and drug registration process of all drugs, including vaccines, had to ensure safety, efficacy and the

quality standard. Whether the vaccines to be procured by the authorities were manufactured by Mainland China would depend on the final results of research and development of the vaccines. The procurement criteria were based on science rather than places of origin.

94. Mr CHAN Han-pan and Ms Elizabeth QUAT criticized that members belonging to the pro-democracy camp discredited vaccines manufactured by Mainland China, which might deter Hong Kong people from being vaccinated. Mr CHAN predicted that the initial supply of vaccines would be limited, so priority for vaccination should be given to high-risk groups. He enquired about the Administration's plan for public vaccination, such as whether the Government would be responsible for the task, or a public-private partnership model would be adopted, and whether it would follow the Universal Community Testing Programme to set up designated centres in all districts in Hong Kong and urge the public to receive vaccination on their own.

95. CS stated that if vaccines manufactured by Mainland China could be put on market for procurement and use in different countries or regions, it meant that the quality of these vaccines were up to international standards. He called on members to conduct rational discussions with a view to procuring sufficient vaccines as soon as possible to combat the epidemic. SFH stressed that the relevant vaccines had to be registered with DH for quality and safety assurance. The authorities would step up publicity after procurement of vaccines.

96. DoH stated that, after discussion, the Expert Advisory Panel already determined the priority groups for receiving vaccination, including the elderly, healthcare staff, government frontline staff responsible for health and medical work and persons with chronic medical problems etc. Depending on the effectiveness of the vaccines, such as whether they were particularly effective for people in a certain age group, and after considering various related factors, the Administration would decide the priorities of vaccination. The Administration would also draw reference from seasonal influenza vaccination programmes and consider cooperating with private doctors or making arrangements for visits to RCHEs or residential care homes for persons with disabilities to administer vaccines for residents.

Increasing funding to the Hospital Authority

97. Prof Joseph LEE enquired about the use of the allocation (\$4.7 billion) under the first phase of AEF on strengthening the support to HA for its anti-epidemic efforts. Prof LEE pointed out that after seeking

legal advice earlier, HA sent letters to thousands of healthcare staff enquiring about the industrial actions they took early this year. Mr CHAN Chi-chuen expressed strong dissatisfaction about HA's move to hold them accountable afterwards. Mr Alvin YEUNG enquired about the cost of seeking legal advice. Prof LEE asked HA to clarify whether the cost of seeking legal advice was also paid by the \$4.7 billion allocation.

98. Prof Joseph LEE was of the view that, of the supplementary provision of \$3.044 billion provided by the Administration to HA this time, only \$454 million, a small proportion, was used by HA for continuous implementation of the current anti-epidemic measures and providing support for frontline healthcare staff. He enquired about the principle of HA in allocating the above-mentioned supplementary provision. Considering that HA would freeze salary in the coming year, he asked whether HA would consider earmarking some of the allocation to provide frontline healthcare staff with special grants as a show of appreciation for their efforts to cope with the heavy workloads during the epidemic.

99. Ms Claudia MO was concerned that while the Administration planned to earmark more than \$8.4 billion for procuring vaccines, of which over \$2.9 billion would be manpower and administrative costs; and only around \$3 billion of additional allocation would be granted to HA (including a supplementary provision of around \$2 billion in 2020-2021). She was of the view that HA was a huge organisation bearing the responsibility for anti-epidemic work. It was unreasonable that the allocation it received was similar to that of the manpower and administrative costs of vaccine procurement work. Furthermore, she enquired whether the authorities would set aside 5% of the approximately \$3 billion allocated to HA for a pay rise for HA employees.

100. The Chief Executive of the Hospital Authority ("CE of HA") responded that among the \$4.7 billion provided to HA under the first phase of AEF, HA already used around \$2,186 million on different areas of its anti-epidemic work as at 31 August 2020, mainly including manpower expenditure, procurement of PPE, procurement of laboratory service and equipment and the cost of hotel rooms for short-term accommodation for supporting healthcare staff assigned with high-risk duties. As for the proposed supplementary provision of \$3.044 billion, apart from the \$454 million in support of frontline healthcare staff, it was mainly used to meet the daily operating expenditure of the Community Treatment Facility of AWE and a temporary hospital and the expenditure for manpower deployed to the two facilities. Furthermore, the planned procurement of additional PPE at a cost of \$294 million would also be allocated to HA healthcare practitioners who would be deployed to these two facilities.

He stated that HA would set aside funds from the supplementary provision of \$3 billion for continuous provision of allowance to frontline healthcare staff, including support for renting hotel rooms for healthcare staff engaged in high-risk duties in the Community Treatment Facility of AWE. As for the cost of seeking legal advice on healthcare staff's absence from work, HA currently did not have relevant information.

101. Dr Pierre CHAN enquired whether the supplementary provision for HA would be used to promote public-private partnership projects with a view to resuming various non-emergency services as soon as possible. He was also concerned that, among more than 5 000 private clinics and day procedure centres in Hong Kong, the operation of private dental clinics was more seriously affected by the epidemic. He enquired how AEF would assist private clinics (especially dental clinics).

102. CE of HA stated that the authorities had been committed to expanding public-private partnership. The relevant measures were promoted by the endowment of the HA Public-Private Partnership Fund and were not related to the supplementary provision.

103. SFH stated that the Administration had been in communication with private clinics (including dental clinics) all along. To her understanding, they currently had sufficient protective gear, and ESS under AEF could help them retain employees.

Appointing the University of Hong Kong - Shenzhen Hospital to take up follow-up consultation service

104. Mr HUI Chi-fung enquired whether the Special Support Scheme for HA's chronic disease patients living in the Guangdong Province to sustain their medical consultation under COVID-19 ("Special Support Scheme for HA") would offer medical service needed by the 12 Hong Kong people currently detained by Mainland authorities, including providing medicine needed by detainees with chronic diseases.

105. SFH stated that under the Special Support Scheme for HA, patients with appointments with HA's Specialist Outpatient Clinics or General Outpatient Clinics would be eligible for follow-up consultation sessions at HKUSZH up to July 2021 or until the lapse of the quarantine arrangement of both sides, whichever the earlier.

106. CS added that the Government had relayed and handled the medical needs raised by family members of the 12 Hong Kong people to Mainland

authorities through the Guangdong ETO according to established mechanism.

107. Dr Pierre CHAN enquired whether the subsidies under the Special Support Scheme for HA included the necessary drugs prescribed to patient beneficiaries by HKUSZH, even if the drugs were expensive and/or newly developed. Dr CHAN referred to paragraph four of Enclosure D to FCR(2020-21)71 which stated that "HA would facilitate by sending the patients' record to HKUSZH and consult with the doctors concerned at HKUSZH on the patients' situation by phone", and enquired about the specific method of sending patients' records, such as whether the records would be encrypted before emailing to relevant patients.

108. SFH and CE of HA responded that:

- (a) under normal circumstances, Hong Kong residents participating in the Scheme could get prescriptions for the required drugs from HKUSZH;
- (b) although Hong Kong residents eligible to join the Scheme were with chronic medical problems, they were generally not patients with serious illnesses; for patients with serious illnesses, HA considered that they should return to Hong Kong for treatment;
- (c) drugs prescribed by HKUSZH for patients might not be exactly the same as the prescriptions received by patients from HA, but it was believed that the prescriptions received would be suitable for treating the patients;
- (d) funding for the Scheme aimed to subsidise Hong Kong residents to receive treatment and prescription of drugs in HKUSZH, so as to avoid the inconvenience of a 14-day quarantine after returning to Hong Kong for medical treatment; and
- (e) it would facilitate diagnosis and treatment if patients had medical records on hand during follow-up consultations. Patients could apply for copies of medical records through the Electronic Health Record Sharing System (i.e. "eHR"). The responsible personnel could only download and encrypt the records with patients' consent, but the authorities still had to discuss with HKUSZH on the specific method of sending medical records. Drawing reference from past experience,

feasible methods included sending medical records directly to patients via emails or collecting the records by patients' families.

109. Dr CHENG Chung-tai enquired about the precedents and relevant legal basis for using public money to provide services to Hong Kong people in places outside Hong Kong. Dr CHENG expressed concerns about how to monitor the fee levels.

110. CS stated that the Administration's purchase of places in a home for the elderly in Yantian, Shenzhen, for Hong Kong people's residence was an example of the Government's use of public money to pay for government services for Hong Kong people in Mainland China.

111. Mr Alvin YEUNG enquired about the number of patients so far served by the Administration's special scheme launched in February 2020 to deliver prescription medications to Hong Kong people with urgent need for medications in Guangdong Province and Fujian Province. SFH stated that the relevant information was held by the Labour and Welfare Bureau and would be submitted to members after the meeting.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC298/19-20(01) on 6 October 2020.]

Extension of the Special Scheme of Assistance to the Unemployed

112. Mr IP Kin-yuen and Dr KWOK Ka-ki criticized that AEF was unable to assist the unemployed. The Chairman stated that he acknowledged the severe fiscal deficit faced by the Government, but the authorities should also take care of the unemployed and the self-employed. Take the insurance sector he represented as an example, most practitioners were self-employed persons who relied heavily on Mainland business. They earned no income at all under the epidemic. Mr Wilson OR also called on the Government to assist persons who did not make MPF contributions, including self-employed persons of the service sector.

113. Mr Vincent CHENG stated that the number of unemployed and underemployed persons multiplied in the past six months, but the number of applications for the Special Scheme of Assistance to the Unemployed under the CSSA Scheme recorded no significant increase. Dr Priscilla LEUNG also mentioned similar situations. Mr CHENG believed that the Scheme was ineffective because the application procedures were too complicated, and the Scheme required applicants to calculate asset value on

a household basis, discouraging a large number of unemployed people. He called on the Administration to review the Scheme, including examining whether the eligibility criteria of the application could be further relaxed. Mr Wilson OR was concerned about the lengthy time for processing applications, which failed to solve the pressing needs of the unemployed.

114. SLW explained that since the outbreak of the epidemic, the increase in the number of unemployed in Hong Kong peaked in around April 2020. Therefore, the number of unemployed cases applying for CSSA also rose sharply since that month, recording an increase of more than 50% over the same period of last year. As at the end of August 2020, the total number of CSSA recipients was around 320 000. As the number of applications under process might be time-lagged, it could not be reflected immediately in the number of applications for the Special Scheme of Assistance to the Unemployed. He stated that some unemployed people received severance payments and long service payments. They did not apply immediately as they were unable to meet the requirements of relevant asset limit for families specified in the Special Scheme of Assistance to the Unemployed. Regarding members' requests for the Administration to further relax the overall threshold of the Special Scheme of Assistance to the Unemployed or even the CSSA Scheme, he stated that the system and philosophy of the CSSA Scheme were closely related to other subsidy schemes. As members' suggestions involved institutional changes, careful consideration had to be made.

115. CS added that SWD received a total of 20 111 CSSA applications between April and June this year, of which 7 944 were applications under the unemployment category.

116. Ms YUNG Hoi-yan enquired about the success rate of applications for the Special Scheme of Assistance to the Unemployed. Ms YUNG and Ms Alice MAK pointed out that as the eligibility criteria for application under the Scheme were only slightly more lenient than the current CSSA Scheme; applicants' household asset value even covered cash values of applicants' insurance policies and their vehicles. Under these circumstances, if members of the sandwich class became unemployed, it was generally difficult for them to meet the eligibility criteria immediately, weakening the intended effect of the Scheme.

117. Mr Wilson OR, Ms YUNG Hoi-yan, Mr LEUNG Che-cheung and Dr Fernando CHEUNG called on the Administration to relax the eligibility criteria of the Special Scheme of Assistance to the Unemployed, such as allowing needy persons to apply as nuclear families or as an individual,

rather than having to apply for assistance with cohabiting family members; or exempting the calculation of income and assets of applicants' family members for a short period of time, with a view to providing timely assistance to the unemployed.

118. SLW responded that the Administration currently did not maintain the success rate of applications for the Special Scheme of Assistance to the Unemployed. According to past records of the CSSA Scheme, successful applications accounted for around 50% of the total number of applications. He stated that as the CSSA Scheme aimed to provide a safety net to those who could not support themselves financially, even if members of the middle class were temporarily unemployed, they might not be able to immediately meet the eligibility requirements that had already been relaxed under the Special Scheme of Assistance to the Unemployed. He added that apart from the Scheme, the Administration launched the "Love Upgrading Special Scheme" through the Employees Retraining Board, providing training and allowances to employees affected by the economic downturn, and increased the maximum monthly allowance for trainees from \$4,000 to \$5,800. SLW stated that the Government would earnestly study the views of Members and members of society on improving the CSSA Scheme. He hoped members would understand that Hong Kong's social welfare system (including CSSA) was family-oriented, and mutual help among family members was the foundation of the social system. If the foundation was undermined, it would lead to change in social relations and many relevant systems, causing a profound impact. Special arrangement was not an option in this regard.

119. CS stated that apart from the Special Scheme of Assistance to the Unemployed, the authorities also provided assistance to people in need through other channels, such as handing out \$10,000 to Hong Kong permanent residents aged 18 or above, handing out \$10,000 to low-income new-arrivals through the Community Care Fund, and disbursing an allowance of \$3,500 to each kindergarten, primary school and secondary school student etc.

Short-term food assistance

120. Mr LEUNG Che-cheung and Dr Fernando CHEUNG enquired whether the time limit, which stood at not more than eight weeks currently, of the one-off basic food assistance for eligible individuals or families under the Short-term Food Assistance Service Projects could be extended, so as to allow operating organizations to handle individual cases flexibly.

121. In response, SLW advised that the Short-term Food Assistance Service Projects had a standard period of eight weeks with a view to meeting the basic demand for food from people in need. In case of special circumstances, the authorities could exercise discretion; integrated family service centres operated by SWD and subvented non-governmental organizations could also provide other support to people in need.

Enhancement of the Special 100% Guarantee Product under the SME Financing Guarantee Scheme

122. Mr CHAN Chun-ying enquired about the following information on the "Special 100% Guarantee Product" under the "SME Financing Guarantee Scheme" ("SFGS"):

- (a) the number of enterprises which successfully obtained loans since the launch of the Product in April 2020;
- (b) the average loan amount;
- (c) after the maximum loan amount of the Product was increased to \$5 million under the third round of AEF, the Administration's estimate for the number of SMEs which could further benefit after having already taken out loans successfully; and
- (d) how the Administration would promote the optimized Product to SMEs.

123. SCED responded that since the launch of the Special 100% Guarantee Product under SFGS, loan applications of 16 325 SMEs had already been approved, involving an aggregate loan amount of around \$26.4 billion. The average loan amount per application was \$1.7 million. He stated that as loan applicants had business relationships with banks, the Administration considered it appropriate to leave it for the banking sector to promote the optimized Special 100% Guarantee Product.

124. Mr Tommy CHEUNG appreciated the optimized "Special 100% Guarantee Product". Mr CHUNG Kwok-pan asked about the applicable uses and restrictions of the loans.

125. SCED responded that the optimized Special 100% Guarantee Product would increase the maximum loan amount for each applicant from the total amount of employee wages and rents for six months, to that for

12 months, or \$5 million, whichever was lower. He stated that the Scheme did not impose restrictions on how applicants could use the loans.

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members vide LC Paper No. FC295/19-20(01) on 28 September 2020.]

Other proposed relief measures

Establishing unemployment assistance

126. Mr Andrew WAN, Dr Helena WONG, Ms Starry LEE, Mr LEUNG Yiu-chung, Ms Elizabeth QUAT, Mr CHAN Hak-kan and Mr Wilson OR were of the view that the Administration should establish temporary unemployment assistance. Members generally expressed disappointment at the Administration's reply in the negative.

127. Mr James TO was of the view that even if the Administration launched three rounds of AEF, there would still be omissions in its support for industries affected by the epidemic. On this premise, Mr TO was of the view that establishing temporary unemployment assistance could plug the gaps. Even if the Administration had no plan to set up unemployment assistance, it should at least consider launching the Cash Payout Scheme again so that industries and individuals which could not benefit from any subsidy schemes would receive minimal support. Mr TO was of the view that the Administration was tantamount to acting against the people by refusing to heed the calls from FC members across parties to establish temporary unemployment assistance.

128. Ir Dr LO Wai-kwok and Dr Priscilla LEUNG suggested the Administration set up temporary unemployment assistance and hand out \$8,000 per month to each unemployed person for six months. Dr LEUNG was of the view that measures launched by the Administration failed to focus on supporting the people despite the dire unemployment situation in Hong Kong. Mr Tony TSE was concerned that the amount injected into the third round of AEF was lower than that of the first two rounds, and some sectors or individuals were not able to get any benefit. Mr TSE and Ir Dr LO urged the Administration to introduce additional measures in the Policy Address and the 2021-2022 Budget if necessary to plug the gaps; Mr TSE suggested the Administration consider launching the fourth round of AEF in due time to help Hong Kong revive its economy.

129. Mr SHIU Ka-chun stated that The Joint Platform, i.e. the Hong Kong Council of Social Service, the Hong Kong Social Workers

Association, the Hong Kong Social Workers' General Union and the Legislative Council Members' offices of him called on the Administration to disburse short-term non-means-tested unemployment assistance for six months to people who were unemployed due to social incidents and the epidemic. In the long run, the Government had to set up a contribution-based unemployment protection system.

130. Mr WU Chi-wai stated that the COVID-19 epidemic lasted even longer than the Government expected, so it should not stick with the relief measures adopted at the beginning of the epidemic and subsidise employers through ESS in an attempt to protect employees' continuous employment. In view of the decline in the number of employers applying for the second tranche of ESS, the number of unemployed was bound to rise sharply. The Administration should immediately set up temporary unemployment assistance.

131. CS responded that the Administration thoroughly explored the feasibility of setting up unemployment assistance, and considered that it would be financially unsustainable if the scheme was not contribution-based and means-tested; currently there were no examples of such a system in overseas regions. CS stated that the Administration launched a number of subsidy schemes in the first two rounds and the proposed third round of AEF. For the unemployed, the Government also launched the "Love Upgrading Special Scheme" through the Employees Retraining Board and increased the maximum monthly allowance for trainees. So far, 30 000 people had applied for the Scheme; the CSSA Scheme provided a safety net for eligible persons, and the eligibility for application had also been relaxed as appropriate in response to the epidemic to cover more recipients. Over a period of time in the past, the Administration and the Community Care Fund also provided financial assistance to people with needs through different schemes, including the disbursement of cash. The second round of AEF also provided a one-off subsidy of \$7,500 to eligible self-employed individuals.

132. Mr LUK Chung-hung stated that the current population of unemployment, underemployment and disguised unemployment (i.e. those who lost their jobs and chose to retire early or took care of families full-time) in Hong Kong accounted for 12.4% of the labour market. Coupled with the fact that the second tranche of ESS would expire before the end of 2020, it was estimated that more people would be unemployed by then. Mr LUK stated that even if there was no precedent for unemployment assistance in overseas regions, this could not be the reason for a refusal to establish temporary unemployment assistance.

133. Ms Alice MAK expressed disappointment that CS rejected members' suggestion for setting up unemployment assistance. Ms MAK stated that beneficiaries of the unemployment assistance system suggested by members were the unemployed, while the CSSA Scheme distributed its benefits on family basis, so they should not be regarded as the same. As for CS's remark that the Administration had other measures to support the unemployed, Ms MAK pointed out that participants of the "Love Upgrading Special Scheme" might have to receive video training at home, which was difficult for families with insufficient information technology equipment. Even if the Administration launched an optimized Working Family Allowance Scheme ("the WFA Scheme"), some families could not meet the weekly working hours requirement laid down by the Scheme. Ms MAK enquired about the Administration's measures to boost the economy.

134. SLW stated that if eligibility of application for the CSSA Scheme was to be revised, it had to holistically consider the impact on the eligibility of application for other schemes. The Government noted members' views on the "Love Upgrading Special Scheme" and the WFA Scheme, and would follow up if necessary.

135. Mr CHUNG Kwok-pan and Mr POON Siu-ping enquired about the use of the provisions of AEF. Mr CHUNG suggested setting up temporary unemployment assistance with the remaining funds from the first two rounds of AEF.

136. CS stated that various schemes under the first two rounds of AEF were already in operation and allowances were being disbursed. At the moment, 16 projects were completed, and 57 subsidy schemes (including ESS) were still ongoing. At this stage, it was difficult to estimate whether there would be unused funds after all the schemes were completed. Depending on the unused funds of AEF and the development of the epidemic, he promised to make good use of AEF to plug the gaps.

137. As regards the call for the establishment of unemployment assistance among members in general, SLW took the impact of the 2008 financial tsunami on Hong Kong as an example and stated that unemployment rate in Hong Kong subsequently took nine years to fall back to 3%, which meant that unemployment assistance actually operated on a long-term basis. In addition, the establishment of unemployment assistance also required an examination of existing laws, as well as complex issues such as offsetting of severance and long service payments, which would take a long time.

Universal cash handout

138. Mr KWONG Chun-yu, Mr Andrew WAN and Dr Helena WONG requested the Administration to hand out cash to the public to relieve their hardship, which was more effective than anti-epidemic relief measures. CS reiterated that today's funding proposal aimed to focus on providing support for relevant sectors and persons affected by the epidemic and/or on the list of scheduled premises under Cap. 599F. In view of the current financial situation of the Administration, the Government did not plan to implement a universal cash handout again.

139. Regarding the Administration's remark that it was not appropriate to launch the Cash Payout Scheme again at this stage, Dr Priscilla LEUNG shared the Administration's view.

MPF withdrawal

140. Mr Andrew WAN, Ms Starry LEE and Ms Elizabeth QUAT suggested the Administration allow the public to withdraw employee's MPF contributions to tide over the current economic difficulties. Ms QUAT asked whether the Administration had studied the feasibility of this approach.

141. Under Secretary for Financial Services and the Treasury ("USFST") stated that the MPF System was a part of the retirement protection system in Hong Kong with an aim to ensure retirement savings by the employed population. Allowing the public to make early withdrawal of MPF would weaken the effectiveness of retirement protection. It also involved amendments to relevant laws. As amendments took time, the Administration considered the suggestion not the most timely and effective way to solve the public's pressing financial problems. SFST added that allowing the public to withdraw MPF early was contrary to the long-term aim of setting up the MPF Scheme. Existing laws only allowed MPF contributors to withdraw MPF before the age of 65 under certain exceptional circumstances.

Rent Assistance Scheme for public rental housing

142. Mr LEUNG Che-cheung and Dr Fernando CHEUNG were concerned that residents in public rental housing ("PRH") with a residence period of less than two years were not allowed to apply for rent assistance; families which occupied flats with size exceeding the respective maximum allocation standard could not apply for rent assistance either. They enquired whether the Administration could relax the relevant requirements.

143. In response, STH advised that he understood that most PRH residents were grassroots citizens and he would discuss with the Hong Kong Housing Authority again. In fact, the Government and the Hong Kong Housing Authority had adopted measures to alleviate the difficulties faced by PRH residents.

Other welfare measures and suggestions

144. Dr Fernando CHEUNG asked the Administration (a) whether it could relax the eligibility criteria of the Community Care Fund's programme to provide subsidy to needy primary and secondary students for purchasing mobile computer devices, allowing all low-income families to apply directly; and (b) whether it could relax the WFA Scheme's requirement that non-single-parent households should have a total monthly working hour of 144 hours, allowing the underemployed to apply for the allowance.

145. In response, SLW advised that the Government would examine the working hour requirements of the WFA Scheme. He stressed that changes to any schemes would involve changes to computer system and could not be completed in a short time; if handled manually, the implementation of the Scheme would be delayed. The Administration would receive views from all parties and consider those that worth studying.

146. Ms Alice MAK pointed out that the Administration planned to offer further rates concession for non-domestic tenements in the third and fourth quarters of 2020-2021, and it was believed that many large shopping malls owned by developers could benefit. However, the relevant developers were still trying to recover rents from tenants whose business had been severely hit by the epidemic. She enquired whether the Administration had any measures to prohibit owners from reclaiming outstanding rents from tenants during the epidemic.

147. SFST stated that the Administration provided rental concessions to eligible tenants of government properties, while encouraging and urging public bodies and private owners to follow suit. According to the latest figures of the Rating and Valuation Department, the rents of private retail premises in July fell by nearly 9.6% from the same period last year.

Economic stimulus measures

148. Mr Jeffrey LAM raised the following suggestions on economic stimulus measures:

- (a) the Administration should introduce rapid diagnostic test for COVID-19 as soon as possible; and
- (b) the adoption of the above-mentioned technology could help Hong Kong and other regions/countries to establish travel bubbles. After the launch of the Health Code, cross-boundary travel between Guangdong, Hong Kong and Macao could also be resumed early.

149. Dr Junius HO and Mr Jeffrey LAM expressed support for the Administration's launch of the third round of AEF. The Chairman, Dr HO, Mr LAM, Ir Dr LO Wai-kwok, Dr Priscilla LEUNG, Mr Tony TSE and Mr YIU Si-wing were concerned about the timetable for the launch of the Health Code system in Hong Kong and its actual operation, as well as the Health Code mutual recognition arrangement between Hong Kong, Guangdong and Macao. They were of the view that only by resuming cross-boundary travel could the economy of Hong Kong possibly recover. Mr LAM specifically pointed out that Mainland China was a place with relatively lower risk after containing the epidemic, and asked whether the Administration would consider relaxing the conditions imposed on Mainland residents entering Hong Kong, including relaxing the 14-day quarantine requirement upon arrival. Dr LEUNG enquired about the Administration's policies or plans to achieve zero confirmed cases. Mr Kenneth LAU enquired about the progress of the discussion between the HKSAR Government and other regions on the travel bubble agreement. Ir Dr LO gave suggestions on how to boost the economy, including strengthening the ties and cooperation within the Guangdong, Hong Kong and Macao Greater Bay Area and promoting infrastructure projects.

150. CS responded that he agreed that cross-boundary travel was a top priority. The technical support for the launch of Hong Kong Health Code system was in place. However, due to the resurgence of the epidemic in July, Macao and Guangdong would not have the confidence to resume cross-boundary travel with Hong Kong and carry out Health Code mutual recognition arrangement between the three places until the local epidemic situation subsided and stabilised again. Secretary for Innovation and Technology stated that to achieve orderly cross-boundary travel, a quota system might be implemented in the initial stage. Members of the public who intended to apply could register the information required for customs

clearance online and complete a nucleic acid test to obtain a Hong Kong Health Code. Such members of the public could convert the above-mentioned information into "Yue Kang Code" or "Macao Health Code" for health declaration purpose in entering Guangdong Province or Macao and be eligible for exemption from compulsory quarantine requirements.

151. SFH stated that the Government had been doing its best to control the epidemic. Currently the epidemic in Hong Kong had stabilized and the number of confirmed cases was trending downward. The Administration would continue to observe the development of the epidemic and gradually relax social distancing measures in an orderly manner in due course.

152. SCED stated that the Constitutional and Mainland Affairs Bureau and the Commerce and Economic Development Bureau were responsible for the negotiation of travel bubble agreements between Hong Kong and Mainland China, and Hong Kong and other overseas regions respectively. The main topics of discussion involved the conditions necessary for resuming traffic, including how each party would recognize health test results of residents of the other party before departure, and the methods of the testing that the residents had to pass upon arrival.

153. Mr Abraham SHEK suggested FC vote on this funding proposal first, so that all government officials could return to their posts to focus on the anti-epidemic work, and focus on planning measures to revive the economy; other members could then continue to express their views on different subsidy schemes. The Deputy Chairman stated that there was no provision in the Finance Committee Procedure that empowered the Chairman to/specified that FC could adopt the approach suggested by Mr SHEK.

154. Mr Vincent CHENG stated that the grassroots hotel and guesthouse sectors were both hit hard by the epidemic, and suggested the Administration cooperate with the hotel and guesthouse sectors to implement transitional housing projects in a bid to assist the sectors to continue operation and improve the living conditions of grassroots citizens. STH stated that the Administration was indeed exploring the feasibility of the relevant approach.

Increasing income and reducing cost

155. Mr Kenneth LEUNG stated that since the reunification, the rate of increase in the Administration's recurrent expenditure had surpassed that of

the Gross Domestic Product all along. Taking into account the three rounds of relief measures launched by the Administration, Mr LEUNG considered that the fiscal deficit to be recorded in the 2020-2021 financial year would reach at least \$400 billion instead of \$300 billion as mentioned by CS. Mr LEUNG stated that when considering whether to support this funding proposal, he requested the Administration to express its position on the following issues:

- (a) whether it would undertake not to raise taxes in the next few years;
- (b) whether this round of the AEF was the final round of relief measures; and
- (c) in view of the possibility of a new wave of epidemic in the future, whether the Administration could suspend the "Lantau Tomorrow" Scheme.

Ms Claudia MO also expressed similar concerns about the "Lantau Tomorrow" Scheme.

156. CS stated that the Administration could only arrive at the exact figure of the fiscal deficit in the 2020-2021 financial year until the end of the fiscal year. The decision on whether to increase taxes fell within the purview of the Financial Secretary. Whether the Administration would roll out more relief measures in the future would depend on the development of the epidemic. Regarding the relevant research on the artificial islands in the central waters under the Lantau Tomorrow Vision, CS and Secretary for Development responded that:

- (a) the financial proposal in relation to the research was still pending approval of FC;
- (b) the research aimed to determine the feasibility of various schemes related to the Lantau Tomorrow Vision and artificial islands in the central waters; and
- (c) the research would cover the study on different options related to the financing arrangements of the Lantau Tomorrow Vision.

Universal Community Testing Programme

157. Mr CHAN Chi-chuen enquired about the cost of the "Universal Community Testing Programme"; and whether the Administration would carry out other testing programmes again. Mr CHAN expressed concerns about the Administration's claim of the testing capacity of the programme.

158. CS and Secretary for the Civil Service responded that:

- (a) the Administration did not set indicators for the number of people tested/testing volume under the Universal Community Testing Programme;
- (b) upon the end of the Programme, an accumulation of around 1.78 million people were tested;
- (c) the Central People's Government unconditionally bore the testing and laboratory costs of the programme, while the SAR Government bore the costs of setting up community testing facilities in various places, remuneration of relevant administrative and healthcare staff, and the costs of PPE and logistics services etc.; and
- (d) after the Administration finalized the expenditure on the Universal Community Testing Programme, it would account for the total expenditure on the Programme in the Progress Report of AEF.

The Administration's quarantine arrangements

159. Mr Jeremy TAM, Dr CHENG Chung-tai, Dr Helena WONG, Mr James TO and Dr KWOK Ka-ki gave views on whether the third wave of the epidemic mainly originated from the Administration's previous exemption of inbound air crew and sea crew members from quarantine arrangements and expressed dissatisfaction in this respect, and criticized the Administration for improper arrangements for epidemic prevention measures at boundary control points. Ms Elizabeth QUAT was of the view that entry restrictions and quarantine arrangements for people entering Hong Kong from high-risk places should be tightened.

160. SFH stated that data obtained by the Centre for Health Protection and follow-up investigations showed that imported cases of COVID-19 continually emerged. The Administration would continue to review the effectiveness of anti-epidemic measures.

161. Ms Tanya CHAN stated that during the epidemic, there was inadequate social distancing measures in relation to the testing procedures for persons arriving at Hong Kong through the Hong Kong International Airport, including filling in documents and transport arrangements to testing sites. The same happened in hotels where arrival visitors temporarily stayed when waiting for test results. Furthermore, the arrival visitors were not served hot meals and hot drinks, which was not ideal.

162. STH noted the concerns raised by Ms Tanya CHAN, and advised that he would follow up with AAHK. DoH explained that according to the views of government experts on infection control of infectious diseases, it was necessary to minimize the mealtime during which arrival visitors would have their meals without masks while waiting for test results. Therefore, the Government would not serve hot meals or hot drinks. DH would ensure that arrival visitors complied with social distancing restrictions while waiting for testing.

163. Mr Kenneth LEUNG expressed concerns about the arrangement that younger minors had to be quarantined for 14 days in hotels after arriving at Hong Kong from the United Kingdom starting from 1 October. DoH stated that since the implementation of compulsory quarantine measures, people aged below 18 arrived at Hong Kong from overseas places from time to time. After applying to DH, these people could be accompanied by an adult family member during isolation in quarantine facilities until the isolation period ended.

164. Ir Dr LO Wai-kwok enquired how the Administration defined high-risk and low-risk areas. He and Mr Jeffrey LAM were both concerned that the Administration gazetted the listing of the United Kingdom as a high-risk place yesterday (24 September), requiring people returning from the United Kingdom to Hong Kong to present proof of a negative result of nucleic acid test issued within 72 hours before boarding flights, and to be quarantined in hotels after arriving at Hong Kong. However, the measure would only take effect officially after seven days (i.e. 1 October). They were worried that it would create loopholes, resulting in a large number of imported cases, and enquired why the measures were not effective immediately.

165. DoH stated that the Administration would decide whether to list places as high-risk places based on the number of confirmed cases in individual places (including whether the number of cases had increased sharply), local testing capacity, monitoring mechanism, and cases imported into Hong Kong from the place concerned in the last few weeks. If a

place imported more than five cases into Hong Kong in the last few weeks or accounted for 10% or above of imported cases in total, and the number of its own confirmed cases was high, the Administration would list the place as a very high-risk place.

166. SFH stated that DH had all along assessed the health risks of different places. The Government gazetted the listing of the United Kingdom as a very high-risk place according to the Prevention and Control of Disease (Regulation of Cross-boundary Conveyances and Travellers) Regulation (Cap.599H), requiring inbound travellers to provide nucleic acid test results issued within 72 hours before boarding flights and present a proof of 14-day hotel reservation. Regarding the 7-day period that the measure took to take effect after being gazetted, she explained that the Administration needed time to communicate with the British Consulate-General Hong Kong on the overall arrangements; DH had to provide guidelines on nucleic acid test; airlines also had to ensure that boarding passengers met relevant requirements, and only after all these that the relevant measures could be implemented smoothly. She stressed that whether travellers arrived at Hong Kong from very high-risk places or not, they all had to be tested at the airport and wait for test results.

167. Mr Steven HO stated that even if fishing boat workers travelling between Mainland China and Hong Kong were allowed to leave Hong Kong after completing and passing the tests, due to the lack of communication between the SAR Government and relevant Mainland authorities, their test results were not sent to relevant Mainland authorities in time, and the fishing boat workers were therefore not arranged for entry and quarantine in due time after reaching Mainland waters. There were certain cases that fishing boat workers had to wait for arrangements on board, without water and food while waiting. Mr HO called on the Administration to identify the difficulties fishermen might encounter when they entered Mainland China and were put to quarantine, and to strengthen communication with Mainland authorities to straighten out the whole process, including providing the necessary support for fishermen before they were allowed to enter the Mainland. STH noted Mr HO's views and advised that he would follow up with relevant Mainland authorities.

168. Mrs Regina IP enquired about the progress of handling two medical incidents which occurred when healthcare staff were absent from work on 4 February this year. She demanded that the healthcare staff concerned apologize to the two relevant patients. CE of HA stated that depending on the circumstances of individual cases, HA would follow established procedures in handling requests from patients and Mrs Regina IP. It was inappropriate to discuss individual cases in public.

Meeting arrangements

169. At 11:03 am, the Chairman directed that the meeting be suspended. The meeting resumed at 11:13 am. The Deputy Chairman presided over the meeting.

170. At 1:02 pm, the Deputy Chairman announced that the meeting be suspended. The meeting would be resumed at 2:30 pm. The meeting resumed at 2:30 pm. The Deputy Chairman presided over the meeting.

171. At 4:30 pm, the Deputy Chairman announced that the meeting be suspended. The meeting resumed at 4:41 pm. The Chairman presided over the meeting.

172. At 6:30 pm, the Chairman stated that there were still 25 members waiting to speak. He estimated that it would still take at least five to six hours to complete the deliberation on the item. Therefore, he decided to hold an additional meeting from 9 am to 7:30 pm next Monday (28 September) with a view to completing the deliberation on the item as soon as possible.

[Post-meeting note: Members had been notified that an additional meeting would be held on 28 September 2020 from 9:00 am to 1:00 pm and 2:30 pm to 7:30 pm vide LC Paper No. FC291/19-20 issued on 25 September 2020.]

173. At 6:52 pm, the Chairman advised that eight motions proposed by members under paragraph 37A of the Finance Committee Procedure ("FCP 37A motions") had been received. He urged members who intended to propose FCP 37A motions to submit motions as soon as possible.

174. The Chairman declared that the meeting ended at 6:58 pm.