立法會 Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 10th meeting held at Conference Room 1 of the Legislative Council Complex on Monday, 21 December 2020, from 9:00 am to 1:00 pm and from 2:00 pm to 5:08 pm

Members present:

Hon CHAN Kin-por, GBS, JP (Chairman)

Hon CHAN Chun-ying, JP (Deputy Chairman)

Hon Abraham SHEK Lai-him, GBS, JP

Hon Tommy CHEUNG Yu-yan, GBS, 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 WONG Kwok-kin, SBS, JP

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Hon Paul TSE Wai-chun, JP

Hon Michael TIEN Puk-sun, BBS, JP

Hon Steven HO Chun-yin, BBS

Hon Frankie YICK Chi-ming, SBS, JP

Hon YIU Si-wing, BBS

Hon MA Fung-kwok, GBS, JP

Hon CHAN Han-pan, BBS, JP

Hon LEUNG Che-cheung, SBS, MH, JP

Hon Alice MAK Mei-kuen, BBS, JP

Hon KWOK Wai-keung, JP

Hon Christopher CHEUNG Wah-fung, SBS, JP

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 Jimmy NG Wing-ka, BBS, JP

Dr Hon Junius HO Kwan-yiu, JP

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai, JP

Hon Wilson OR Chong-shing, MH

Hon YUNG Hoi-yan, JP

Dr Hon Pierre CHAN

Hon CHEUNG Kwok-kwan, JP

Hon LUK Chung-hung, JP

Hon LAU Kwok-fan, MH

Hon Kenneth LAU Ip-keung, BBS, MH, JP

Dr Hon CHENG Chung-tai

Hon Vincent CHENG Wing-shun, MH, JP

Hon Tony TSE Wai-chuen, BBS, JP

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

Miss CHAN Cheuk Yin, Jennie Principal Executive Officer (General),

Financial Services and the Treasury

Bureau (The Treasury Branch)

Mr Matthew CHEUNG Kin-

chung, GBM, GBS, JP

Ms Angelina KWAN Yuen-yee,

JP

Chief Secretary for Administration

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

Mr Clement LEUNG Cheuk-man,

JP

Secretary for Commerce and Economic

Development

Permanent Secretary for Commerce and

Economic Development

(Communications and Creative

Industries)

Mr Kevin YEUNG Yun-hung, JP

Dr CHOI Yuk-lin, JP

Dr CHUI Tak-yi, JP

Miss Vivian LAU Lee-kwan, JP

Wilss Vivian LAU Lee-Rwan, Ji

Mr Caspar TSUI Ying-wai, JP Mr Jack CHAN Jick-chi, JP Dr LAW Chi-kwong, GBS, JP

Ms PANG Kit-ling

Secretary for Education

Under Secretary for Education

Under Secretary for Food and Health

Director of Food and Environmental

Hygiene

Secretary for Home Affairs

Under Secretary for Home Affairs Secretary for Labour and Welfare

Assistant Director of Social Welfare

(Family and Child Welfare)

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

Ms Alice CHEUNG

Miss Queenie LAM

Mr Frankie WOO

Senior Legislative Assistant (1)1

Senior Legislative Assistant (1)2

Senior Legislative Assistant (1)3

Miss Yannes HO Legislative Assistant (1)7
Ms Haley CHEUNG Legislative Assistant (1)10

Action

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

2. <u>The Chairman</u> informed members that the morning session of this meeting would end at 1 pm; while the afternoon session would resume at 2 pm and end at 5 pm.

Item 1 — FCR(2020-21)77

HEAD 142 — **GOVERNMENT SECRETARIAT:**

OFFICES OF THE CHIEF SECRETARY FOR ADMINISTRATION AND FINANCIAL

SECRETARY

Subhead 700 General non-recurrent Item 803 Anti-epidemic Fund

3. The Chairman said that this item invited members to approve an increase in commitment by \$6.4 billion from \$155.9 billion to \$162.3 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 Anti-epidemic Fund ("AEF") to provide funding for various relief measures targeted at eligible individuals and businesses hard hit by the coronavirus disease-2019 ("COVID-19") pandemic.

Scope and implementation of the Anti-epidemic Fund

Adequacy of relief measures

- 4. <u>Dr CHENG Chung-tai</u> expressed the following views and said that he would object to the current proposal:
 - (a) the fourth round of AEF ("current round of injection") was ill-conceived and the proposed injection of \$6.4 billion was far from sufficient;
 - (b) current round of injection was a solid proof of the Administration's blunder in exempting certain categories of persons entering Hong Kong from mandatory quarantine earlier on; and
 - (c) given the pressure of the pandemic on families, homemakers/housewives should be eligible for assistance.
- 5. Referring to a newspaper advertisement issued by over 80 small and medium-sized enterprises ("SMEs") expressing their indignation, Mr CHUNG Kwok-pan stated his views as follows:
 - (a) many scheduled premises, such as beauty parlours, had complied strictly with anti-epidemic measures and had not

- been prone to any cluster infection but were still required to stop their business;
- (b) some tightened social distancing measures were highly arbitrary and lacked a scientific or objective basis;
- (c) resources had been allocated in favour of the catering sector, which had the lion's share of the \$6.4 billion;
- (d) little had been done to assist operators of cross-boundary tour coaches whose business had come to a stand-still; and
- (e) if banks chose to call loans at this critical juncture, many SMEs would close down.
- 6. In this connection, <u>Chief Secretary for Administration</u> ("CS") advised that:
 - (a) over \$300 billion had been committed through the past three rounds of AEF and the relief measures announced in the 2020-2021 Budget;
 - (b) notwithstanding its previous stance against a further round of AEF, the Government had decided to make another injection into AEF in consideration of the severe blow dealt to certain sectors by the further tightening of social distancing measures in response to the recent resurgence of COVID-19; and
 - (c) given the expected record-high deficit exceeding \$300 billion in the 2020-2021 financial year, it was necessary to exercise fiscal prudence and adopt a targeted approach to assist those sectors whose business operations were required to suspend/close as a result of the Government's anti-epidemic restrictive measures.
- 7. <u>Dr CHENG Chung-tai</u> urged CS to explore with the Financial Secretary ("FS") the feasibility of releasing some financial provision earmarked for the 2021-2022 Budget to provide immediate relief under the current round of injection. <u>CS</u> said that members could give their views on the upcoming Budget to FS.
- 8. Mr SHIU Ka-fai and Dr CHENG Chung-tai asked whether the unspent balance of the Exchange Fund ("EF"), notably its handsome surplus,

could be deployed to boost support measures. In response, <u>Under Secretary</u> for Financial Services and the Treasury ("USFST") advised that:

- (a) the key objective of EF was to provide backing to the Hong Kong currency and the Linked Exchange Rate System, which was essential for maintaining Hong Kong's financial and monetary stability;
- (b) funds under EF and the fiscal reserve were separately administered;
- (c) the level of fiscal reserves was forecast to drop to some \$800 billion by the end of the current financial year; and
- (d) coupled with a record-high deficit this year, the Government must exercise fiscal prudence and maintain a healthy level of fiscal reserves to cope with future uncertainties.
- 9. Highlighting the difficulties faced by many scheduled premises such as beauty parlours, Mr SHIU Ka-fai expressed the following concerns:
 - (a) whether a different methodology could be adopted to determine the level of subsidy applicable to larger establishments;
 - (b) the feasibility of providing financial assistance to help businesses defray rental expenses and/or launching another round of employment support scheme ("ESS"); and
 - (c) the need to increase manpower so as to clear the backlog of cases accumulated since the second round of AEF.
- 10. Mr KWOK Wai-keung considered that property owners were the major beneficiary of AEF as the subsidies might have mainly been used to defray rental expenses. He urged the Administration to roll out more generous relief measures and not to rule out a further round of assistance. Mr Holden CHOW said that assistance should be extended to needy sectors/individuals which/who had not benefited from previous rounds of AEF.
- 11. In response to members' concerns, <u>CS</u> advised that:
 - (a) to ensure timely disbursement of subsidies, the implementation framework in the third round of AEF had

- been used as the blueprint for the schemes to be rolled out under the current round of injection;
- (b) owing to the fiscal constraint, it was necessary to adopt a more targeted approach in providing further relief. But, if necessary, the Government could consider supplementary measures if funds were available:
- (c) where feasible, the Government would be prepared to consider other subsidy formulae to cater for the needs of different types of establishments in future; and
- (d) the Government and related bodies had taken the lead in offering rental waiver or concession. Private property owners had also been urged to help their tenants tide over this difficult period.
- 12. <u>Mr CHAN Chun-ying</u> considered that the Administration should focus support on small and micro businesses, such as those employing 50 persons or less. <u>CS</u> responded that a sizable portion of recipients under AEF were SMEs in need of urgent assistance.
- 13. <u>Mr Frankie YICK</u> was concerned about the inadequacy of the current round of injection in easing the hardship faced by the transport sector and expressed the following views:
 - (a) due to reduced traffic and border closure, sea/land/air carriers virtually had zero income since February 2020 as the operation of passenger service had come to a standstill;
 - (b) on account of their hard work and contribution to Hong Kong, cross-boundary goods vehicle drivers currently required to undergo nucleic acid tests on a daily basis should be suitably compensated for the inconvenience caused to them;
 - (c) the prohibition of dine-in service in restaurants and the "working from home" ("WFH") arrangements had adversely affected the business of night-shift taxi drivers and public light buses respectively;
 - (d) despite the drop in commuters, green minibuses were still required by the Transport Department to operate the scheduled headway in full;

- (e) anomaly had arisen whereby school bus drivers and nannies were eligible for financial assistance but the bus owners were not;
- (f) financial assistance had not been provided to driving instructors whose income had dropped significantly as a result of the suspension of driving tests; and
- (g) marine bunkering stations were prohibited from providing refuelling service although their operations would unlikely give rise to any risk of infection.
- 14. <u>Mrs Regina IP</u> added that the partial suspension of services at the Immigration Department had resulted in almost zero income for persons who provided passport photo-taking service.
- 15. Mr Wilson OR and Mr YIU Si-wing saw an urgent need to assist cross-boundary transport service operators/drivers to tide over current difficulties. Mr POON Siu-ping, Mr LAU Kwok-fan and Mr CHAN Han-pan reiterated their concerns that although the latest anti-epidemic restrictions did not apply to the land/maritime transport and civil aviation sectors, assistance should be provided as their business had come to a standstill for a long time. Ms Alice MAK shared similar concerns and drew the Administration's attention to large-scale redundancies in the civil aviation and related sectors.
- 16. Mr YIU Si-wing expressed support for the current proposal and noted that economic recovery would hinge on the resumption of cross-boundary travels. He was concerned about the huge expenditure incurred by tour coach operators whose vehicles had been left idle for a prolonged period of time. Mrs Regina IP enquired about the financial assistance, if any, available for cross-boundary tour service coaches.
- 17. <u>CS</u> highlighted the Government's policy intent and relevant support measures as follows:
 - (a) while the Government was aware of the impact brought by the pandemic on different sectors of the community, it had to be mindful of the implications of further relief measures on public finance;
 - (b) for prudent deployment of finite resources, the current round of AEF focused on sectors whose operations were severely constrained or practically brought to a standstill owing to

- significant or complete closure as required by the latest antiepidemic restrictions;
- (c) relief measures for the tourism industry totalling some \$564 million had been announced in the 2020 Policy Address;
- (d) coach drivers who were employees of cross-boundary transport service operators could benefit from ESS;
- (e) as registered owners of licensed non-franchised buses, each coach owner could receive a one-off subsidy of \$20,000, \$30,000 and \$15,000 in the first, second and third round of AEF respectively;
- (f) the Government would continue to examine ways to assist the tourism and cross-boundary transport sectors as appropriate; and
- (g) the Transport and Housing Bureau would be asked to look into the arrangements for driving instructors and marine bunkering stations.
- 18. <u>Ms YUNG Hoi-yan</u> said that assistance should not be confined to licensed persons/entities, and called on the Administration to act flexibly and explore special arrangements, such as using the unspent balance of the Travel Industry Compensation Fund ("TICF") to provide urgent relief to the tourism industry. In response, <u>Secretary for Commerce and Economic Development</u> ("SCED") explained that:
 - (a) legislative amendments would be required as the proposed arrangement was not consistent with the existing statutory purpose of TICF;
 - (b) the Government was fully aware of the predicament of the tourism industry and had all along maintained close dialogue with the sector; and
 - (c) some \$2.6 billion had been committed for relief measures under previous rounds of AEF, the 2020 Policy Address as well as other government funding, the bulk of which had been disbursed.
- 19. <u>Mr Wilson OR, Ms Elizabeth QUAT</u> and <u>Mr LEUNG Che-cheung</u> enquired on additional measures, if any, taken by the Administration to plug

the gaps in various rounds of AEF. In response, <u>CS</u> referred to previous subsidies provided to dishwashing operators, laundry workshops and employment agencies for placement of foreign domestic helpers as examples.

- 20. <u>Mr Tommy CHEUNG</u> appreciated the launch of the current round of injection, and urged for early disbursement of the two tranches of subsidy to catering establishments. He also raised the following concerns:
 - (a) despite cancellation of classes and/or half-day schooling, some tuck shops were required by the schools concerned to pay rental in full;
 - (b) in places like Lei U Mun, Lau Fau Shan and Sam Shing Estate, holders of a fresh provision shop licence selling seafood to customers for consumption at nearby restaurants were badly affected by the prohibition of dine-in service but were not eligible for any financial assistance; and
 - (c) persons holding a food factory licence and selling food in shopping malls, as well as catering outlets in clubhouses were not included under the current round of injection.
- 21. In response, <u>CS</u>, <u>Director of Food and Environmental Hygiene</u> ("DFEH") and <u>Under Secretary for Home Affairs</u> ("USHA") advised that:
 - (a) the Government aimed to complete disbursement of the two tranches of subsidy to the catering trade in the first quarter of 2021;
 - (b) the Catering Business Subsidy Scheme under the current round of injection would cover catering outlets whose dine-in service was required to cease with effect from 10 December 2020 pursuant to the directions issued under the Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F);
 - (c) operators providing take-away service only were not covered under the current round of injection as they had not been required to suspend business; and
 - (d) under the Club-house Subsidy scheme, holders of Certificates of Compliance might apply for a subsidy of \$100,000 and it was estimated that some 580 clubhouses would benefit.

- 22. <u>Mr Tommy CHEUNG</u> urged the Government to seriously consider allowing catering establishments to resume normal business if they complied with all necessary anti-epidemic measures such as vaccination, nucleic acid tests and environmental enhancement requirements.
- 23. <u>Mrs Regina IP</u> referred to some 40 food stalls operating in Dragon Centre and expressed grave concern that they were unable to benefit under the current round of injection. In response, <u>DFEH</u> explained that:
 - (a) in most cases, individual operators of catering outlets in a food court held a food factory licence for preparing food and selling it to customers for take-away consumption;
 - (b) the dine-in area in question was not part of the licensed area of individual outlets but an area designated by the shopping mall operator for customers to consume their food; and
 - (c) as food factory licence holders were not required under the latest social distancing measures to suspend their business, these licensees were not covered under the current round of injection.
- 24. <u>Mrs Regina IP</u> did not subscribe to DFEH's explanation. Referring to the day-to-day operations of food courts, <u>Mrs IP</u> considered it a blatant loophole of the existing licensing regime and owing to this loophole, relevant food stall operators were not eligible for assistance under the Catering Business Subsidy Scheme. In the light of Mrs IP's views, <u>CS</u> said that the Administration would look into the matter.
- 25. <u>Mrs Regina IP</u> asked about the rationale for including party rooms for assistance as unlike catering establishments, they were not subject to any licensing regime. CS highlighted that:
 - (a) the Administration had noted that over 400 party rooms were operating in the market to provide the venue and facilities for group gatherings; and
 - (b) as party rooms were required to close under the social distancing measures imposed by the Government, they were provided with another round of assistance alongside beauty/massage parlours.

- 26. <u>Ms YUNG Hoi-yan</u> highlighted the difficulties experienced by operators of barbecue sites who were not eligible for assistance despite the sharp drop in business. In this regard, <u>DFEH</u> advised that:
 - (a) barbecue sites normally did not hold any restaurant licence to provide dine-in service;
 - (b) some operators might hold a fresh provision shop licence for selling fresh/chilled meat to customers for barbecue; and
 - (c) barbecue sites had not been included under the current round of injection as they were not subject to the latest anti-epidemic restrictions.
- 27. Mr Wilson OR enquired on the eligibility of cooked food stalls under the current round of injection. <u>DFEH</u> confirmed that cooked food/light refreshment stall tenants operating in markets under the Food and Environmental Hygiene Department ("FEHD"), as well as cooked food stall tenants holding a hawker licence and operating in a public housing development, would each be eligible for a one-off subsidy of \$50,000.
- 28. <u>Dr Pierre CHAN</u> reiterated his concern about the lack of support for doctors and dentists in private practice at a time when they had to acquire a large quantity of protective items while business dropped due to fewer patients seeking consultation. <u>Under Secretary for Food and Health</u> ("USFH") recapitulated that past support measures included waiver of licence fees and assistance under ESS.
- 29. Mr YIU Si-wing considered it unfair to pitch the one-off subsidy under the Places of Amusement Licence Holders Subsidy Scheme at a flat rate of \$100,000 irrespective of the area of the establishment, which was different from the arrangement applicable to catering establishments. In this regard, <u>CS</u> said that different establishments were subject to different licensing regimes with starkly different modes of operation. There were practical difficulties in standardizing the subsidy rate across all premises.
- 30. <u>Mr Christopher CHEUNG</u> expressed support for the current proposal notwithstanding that the financial services sector was not included under the current round of injection. He also gave the following views:
 - (a) securities brokers, in particular small ones, experienced great operating difficulties and over 40 brokers had ceased business;

- (b) the Administration should introduce more equitable policies as existing policies were often tilted in favour of large broker firms; and
- (c) under prevailing market conditions, the Hong Kong Exchanges and Clearing Limited ("HKEX") should put on hold its proposal to raise the profit requirement for listing on the Main Board, as small companies might have difficulties in meeting the higher threshold.
- 31. In response, <u>Secretary for Financial Services and the Treasury</u> ("SFST") advised that:
 - (a) support had been provided to the financial services sector through financial assistance to small and medium-sized broker firms, as well as job creation schemes such as the FinTech Anti-epidemic Scheme for Talent Development;
 - (b) the Government would continue to explore in collaboration with the sector how best to deploy technology in enhancing the operations of small and medium-sized intermediaries; and
 - (c) as market consultation was underway, views would be welcomed on HKEX's proposal.
- 32. <u>Mr Steven HO</u> recalled that according to the Police and the Chief Executive, boat parties were tantamount to social gatherings held in party rooms and were not permissible under Cap. 599F. However, while party rooms were eligible for assistance under the current round of injection, pleasure boats for hire for holding parties were not. <u>Mr Steven HO</u> considered that this anomaly should be addressed, similar to the previous decision to include stalls selling vegetables under the Retail Sector Subsidy Scheme. <u>Ms Elizabeth QUAT</u> and <u>Mr Frankie YICK</u> shared similar concerns.

33. In elucidation, <u>CS</u> said that:

- (a) the Government was prepared to further examine the feasibility of including pleasure vessels in this round of measures as pleasure vessels might fall within the meaning of "party room" under Cap. 599F depending on its usage; and
- (b) from the outset, there was no question about the eligibility of the vegetables stalls under the Retail Sector Subsidy Scheme.

The discretion exercised by the Government pertained to allowing certain belated applications with justified reasons from these stalls.

- 34. <u>Dr Pierre CHAN</u> enquired on the assistance available to individual arts practitioners and freelancers, and whether a more equitable mechanism could be put in place to extend assistance to persons who were not affiliated with the Hong Kong Arts Development Council ("HKADC"). <u>Mr MA Fung-kwok</u> pointed out that all along, financial assistance was only available to persons whose identity was readily ascertainable, thereby carving out a sizable portion of his constituents (more than 10 000 individuals) who were self-employed.
- 35. Mr LUK Chung-hung said that the scope of arts practitioners, coaches and interest group instructors eligible for assistance under respective Subsidy Schemes should be expanded. Mr KWOK Wai-keung was concerned about sports coaches whose livelihood had been adversely affected by the prolonged closure of sports venues. Dr CHENG Chung-tai pointed out that considerable time and resources were required to groom talents such as dancers, performing artists and sportsmen. Without adequate assistance, they might no longer be able to pursue their careers, resulting in a great loss to the sectors concerned.
- 36. In this connection, <u>Secretary for Home Affairs</u> ("SHA") and <u>USHA</u> advised that:
 - (a) under the Support Scheme for Arts and Culture Sector, two rounds of assistance had been provided to individual arts practitioners/freelancers benefiting some 5 000 individuals and about 890 arts groups;
 - (b) eligible art groups were each provided with a one-off subsidy of \$80,000;
 - (c) currently, it was proposed to provide a one-off assistance of \$7,500 to each eligible arts practitioner/freelancer;
 - (d) HKADC and the Chinese Artists Association of Hong Kong ("Barwo") were engaged as the agents to implement the proposed subsidy. Affiliation with HKADC and Barwo was not a prerequisite for assistance under the Scheme;
 - (e) in consideration of the hardship experienced by sports coaches, an additional grant of \$7,500 per coach would be

provided under the current round of injection for eligible coaches who (i) were registered under National Sports Associations/Sports Organizations; and (ii) had been coaching during the period 1 April 2019 to 31 December 2020;

- (f) the vast majority of full-time and part-time sports coaches would be able to benefit from the above ex-gratia grant; and
- (g) when circumstances permitted, the Government would reopen sports venues so that coaching activities could resume.
- 37. Mr MA Fung-kwok raised no objection to the current proposal and stated the following concerns:
 - (a) it might not be equitable to provide a subsidy of \$100,000 per screen to cinemas without due regard to their size;
 - (b) as reflected by the publication and film sectors and concert organizers, assistance had not been provided in a timely manner; and
 - (c) out of over 300 licences issued, only about 100 holders of special effects operators licence had received subsidies in the previous round of AEF.
- 38. In response, <u>SCED</u>, <u>SHA</u> and <u>USHA</u> advised that:
 - (a) while \$40 million had been earmarked to assist publishers, it was indeed unfortunate that the 2020 Book Fair had twice been deferred;
 - (b) to use the earmarked funding to provide direct subsidy to publishers would be incompatible with the purpose of the relevant Subsidy Scheme;
 - (c) of the \$260 million earmarked under the Film Development Fund to implement five major measures to increase the number of local film productions, nurture young directors and scriptwriting talents and enhance professional training to add value to the industry, some of the funding had been disbursed, for example, for the organization of the two short-term advanced training programmes and the Scriptwriting Incubation Programme, where a total of some \$30 million

was earmarked for the purposes;

- (d) to avoid double benefits, subsidies had so far been disbursed to about 130 holders of special effects operators licence who had not received other forms of assistance under AEF;
- (e) the 15 current cinema operators (including eight cinema circuits and seven standalone cinemas) in Hong Kong were mainly of a small-to-medium scale. Except the three largest cinema operators whose subsidy had been capped at \$3 million each, the remaining operators could receive an amount of subsidy that covered all the screens they operated. The same criteria were adopted for the past cinema subsidy schemes, and the sector accepted such arrangement; and
- (f) processing work was in progress and subsidies would be disbursed to concert organizers after the requisite documentation had been received and vetted.
- 39. Mr WONG Ting-kwong was concerned that the cancellation of conventions and exhibitions ("C&E") had affected not only the business of the industry, but also related sectors such as venue fitting-out, design and equipment installation. Noting that the funding previously earmarked to subsidize C&E organizers/participants under the Convention and Exhibition Industry Subsidy Scheme had not been spent due to the cancellation or postponement of major C&E events, Mr WONG enquired on the feasibility of using the unspent balance to assist these personnel.
- 40. In response, <u>SCED</u> said that:
 - (a) apart from on-line exhibitions, some physical exhibitions had been successfully held;
 - (b) the validity period of the Convention and Exhibition Industry Subsidy Scheme under AEF had been extended to the end of 2021; and
 - (c) the personnel involved in supporting C&E events might also be engaged in other sectors.
- 41. <u>Mr Jimmy NG</u> expressed concern about the lack of assistance for the C&E industry under the current round of injection. Referring to the cancellation of this year's Hong Kong Brands and Products Expo at very short notice in mid November 2020, <u>Mr NG</u> said that Expo participants

(mainly SMEs) and the Chinese Manufacturers' Association ("CMA") had incurred heavy losses as preparatory work was in the advance stage and a lot of resources had been committed.

- 42. In this connection, <u>SCED</u> highlighted that:
 - (a) every attempt had been made to hold the Expo as scheduled. It was after exploring all alternatives that a final decision was made by CMA to cancel the event;
 - (b) discussion with CMA was underway for identifying a suitable time-slot to hold the Expo in the first or second quarter of 2021;
 - (c) additional safeguards against health hazards, such as stepping up screening or testing etc, would help boost the public's confidence in visiting the Expo, when held; and
 - (d) he was pleased to note that CMA had taken the initiative to set up a dedicated website to hold the Expo on line.
- 43. On the Tourism Industry Support Scheme, Mr YIU Si-wing enquired whether the Scheme could be expanded to cover travel agents licensed after 14 February 2020 and local tour guides conducting local tours. SCED responded that the Administration would continue to work closely with the industry and look into relevant issues.
- 44. <u>Ms Alice MAK</u> expressed grave concern about the support, if any, available to performers of dragon-cum-lion dance whose business had been adversely affected by various social distancing requirements. In response, SHA advised that:
 - (a) as premises providing martial arts training, dragon-cum-lion dance centres might apply for subsidy under the Fitness Centre Subsidy Scheme; and
 - (b) coaches registered with the Hong Kong Chinese Martial Arts Dragon and Lion Dance Association Ltd and who had been coaching in the past year might apply for a one-off grant under the latest and previous rounds of AEF.
- 45. <u>Mr SHIU Ka-fai</u> enquired whether there would be further enhancement to the Special 100% Guarantee Product under the SME Financing Guarantee Scheme ("SFGS") since the last enhancements

announced in September 2020. To ease the liquidity crunch experienced by SMEs, Mr Jeffrey LAM urged the Administration to consider providing guarantee to banks so that SMEs might enjoy a one-year interest-free period when seeking loans from banks.

- 46. <u>SCED</u> noted and would revert on Mr LAM's suggestion. He also recapitulated a number of support measures for SMEs:
 - (a) the Special 100% Guarantee Product under SFGS launched in April 2020 had been well-received, with over 22 000 applications and guarantee for loans amounting to some \$33 billion to date;
 - (b) the Government had been providing interest subsidy for the 80% and 90% Guarantee Products under SFGS;
 - (c) a total injection of \$5.5 billion had been made to the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund during the current-term of the Government; and
 - (d) SMEs were strongly advised to make use of the remaining balance of \$5.1 billion under the two Funds.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 95/20-21(01) on 19 January 2021.]

- 47. On Mrs Regina IP's enquiry about mortgages, <u>SCED</u> said that under the aforesaid Guarantee Product, the Government would provide guarantee in lieu of any collateral to be provided by the loan applicant.
- 48. <u>Ir Dr LO Wai-kwok</u> expressed the following views:
 - (a) the 19 proposed relief measures lacked uniformity in terms of their coverage, eligibility criteria and implementation arrangements, and might easily be perceived as partial and inequitable; and
 - (b) apart from financial relief, the community would look forward to effective measures to put the epidemic under control, thereby enabling early resumption of cross-border travels and economic recovery.

- 49. <u>CS</u> reiterated the Government's policy stance that:
 - (a) it was necessary and prudent to adopt a more targeted approach in the current round of AEF to provide relief to those businesses and individuals directly and most hard hit by the further tightening of social distancing measures; and
 - (b) re-opening of border control points and revival of the economy would hinge on effective control of the epidemic.
- 50. Referring to the insurance sector, the Chairman said that the epidemic had adversely affected the business of intermediaries, in particular those who were self-employed and those who mainly served Mainland clients. He stressed the need for effective action to achieve zero infection so as to facilitate early resumption of cross-boundary travels.

Implementation arrangements

- 51. <u>Dr CHENG Chung-tai</u> sought information on the sectors/individuals which/who were yet to receive subsidies under the third round of AEF. <u>CS</u> undertook to provide relevant information after the meeting and supplemented that:
 - (a) a total of 100 relief measures had been rolled out with the funding obtained from the previous rounds of AEF injection; and
 - (b) disbursement of subsidy under 35 schemes had been completed while processing of applications under the other 65 schemes was ongoing.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 99/20-21(01) on 26 January 2021.]

52. <u>Ms Elizabeth QUAT</u> and <u>Mr Wilson OR</u> urged the Administration to simplify application procedures and expedite the disbursement of subsidies in order to provide timely assistance. <u>Ms Starry LEE</u> and <u>Mr CHEUNG Kwok-kwan</u> were of the view that the current round of injection was merely a replication of the last round and the Administration had failed to consult key stakeholders on the proposed relief measures.

- 53. In response, <u>CS</u> gave the following explanation:
 - (a) the targeted approach adopted under the current round of injection was conducive to swift processing of applications;
 - (b) while vetting first-time applications would require more time, applicants who/which had successfully obtained assistance under the previous round(s) of AEF would only be required to confirm certain business information without having to make fresh application where feasible;
 - (c) where practicable, the Government would aim to disburse the subsidies by end January 2021 the earliest;
 - (d) while the Government had every intention to gauge the views of Members, prior consultation on details of the relief measures had not been conducted as there was an urgent need to deliver timely support to hard-hit sectors; and
 - (e) vigilance must be exercised in administering AEF, as there had been cases in which some applicants had used fraudulent means to obtain subsidies.

Employment-related support

- Referring to a recent survey conducted by the relevant staff union, Mr LUK Chung-hung expressed concern that many frontline civil aviation employees were suffering from reduced income or at the risk of redundancy. Mr Kenneth LAU expressed grave concern about worsening unemployment. Whilst supporting the current proposal, Mr Holden CHOW said that according to official information, there were about 74 800 unemployed and 19 110 underemployed persons with a monthly household income under \$9,000 in the third quarter of 2020. Mr CHOW, Mr Abraham SHEK and Ms Alice MAK reiterated that a time-limited unemployment assistance fund could provide interim relief to those who became unemployed in the epidemic and ease their anxiety arising from loss of job and income.
- 55. In response, <u>Secretary for Labour and Welfare</u> ("SLW") said that:
 - (a) there had been protracted discussion on the subject of unemployment assistance fund; and

- (b) as it might take some five to six years before the unemployment rate could stabilize at a low level, any non-contributory and non-means tested fund, once put in place, would likely last for a long period instead of being time-limited.
- Mr POON Siu-ping, Mr Wilson OR, Mr LUK Chung-hung, Mr LEUNG Che-cheung and Mr Vincent CHENG reiterated their concern that all along, subsidies under AEF had been disbursed to employers and not to employees. Some members including Mr POON Siu-ping, Mr WONG Kwok-kin and Dr CHIANG Lai-wan urged the Administration to consider deploying the contingency provision of \$830 million under the current round of injection to provide additional assistance to unemployed and underemployed persons and/or set up an unemployment assistance fund. To increase job opportunities, Mr Vincent CHENG and Mr LAU Kwok-fan considered that different levels of jobs should be created to support the implementation of anti-epidemic initiatives.

57. On support for employees, <u>CS</u> advised that:

- (a) all along, the Government had urged employers to retain their employees while sustaining their business with the subsidy received from AEF;
- (b) under the time-limited "Special Scheme of Assistance to the Unemployed" implemented under the Comprehensive Social Security Assistance Scheme earlier on, the asset limits of ablebodied applicants would be relaxed;
- (c) where necessary, low-income earners might also apply for other welfare services such as Food Banks;
- (d) the number of places under the Love Upgrading Special Scheme (Phase 3) launched by the Employees Retraining Board to support unemployed or underemployed persons had been increased to 20 000 and a trainee could receive a monthly allowance of up to \$5,800;
- (e) currently, about 70 000 vacancies were available for application at the Labour Department. The Department would also launch a large-scale on-line job fair in January 2021;

- (f) \$6.6 billion had been allocated for the creation of some 30 000 time-limited jobs, many of which were related to anti-epidemic work. More than 10 000 of these openings had been filled and recruitment for the remainder was ongoing; and
- (g) members' views and suggestions were duly noted for consideration.
- 58. Mr Tony TSE enquired on the feasibility of requiring large catering establishments to set aside a specified percentage of the subsidy received for payment of wages while the Government would conduct random checks to ensure compliance. In reply, DFEH said that:
 - (a) experience from the second round of AEF injection revealed that specifying the use of subsidies would require the provision of supporting documents such as certificates from professional accountants; and
 - (b) additional vetting procedures would inevitably delay the disbursement of subsidies, which was not consistent with the intended objective of the current round of injection.
- 59. Mr LAU Kwok-fan enquired on the manpower deployed by the Government for anti-epidemic work, and the additional manpower required for enhancing control measures to combat the pandemic. CS agreed to provide the information after the meeting.

[*Post-meeting note*: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC 113/20-21(01) on 18 February 2021.]

- 60. Mr CHAN Hak-kan said that as a result of an increasing number of unemployed persons in the low-income brackets, the number of homeless persons had risen in recent months. Mr CHAN and Ms Elizabeth QUAT expressed concern that employees had felt helpless and anxious as the Administration would neither allow early withdrawal of accrued benefits under their mandatory provident fund ("MPF") accounts, nor consider setting up an employment assistance fund. Ms Elizabeth QUAT and Mr Paul TSE reiterated the following views:
 - (a) employees should be allowed to withdraw their accrued MPF benefits as a self-reliant measure to tide over immediate financial difficulty; and

- (b) the proposed arrangement would unlikely affect the integrity of the existing MPF system, as early withdrawal would be confined to the accrued benefits attributable to employees' contribution and subject to a specified ceiling.
- 61. In response, <u>SFST</u> highlighted that given the long-term objective of the MPF system to provide retirement protection to employees, the existing withdrawal requirements should not be varied lightly to meet short-term needs. <u>CS</u> said that the members' suggestion would be relayed to FS for consideration.
- 62. Mr Vincent CHENG asked whether consideration would be given to extending the one-off ex-gratia cash allowance of \$5,000 for locally confirmed COVID-19 patients to their close contacts who had to undergo compulsory quarantine. Ms Alice MAK was also concerned about the loss of income when employees were quarantined or prohibited to leave their residence pending completion of mandatory testing in the designated restricted areas.
- 63. In this regard, <u>SLW</u> pointed out that difficulty might arise as unlike confirmed COVID-19 cases which could be medically verified, close contacts could only be ascertained by relying on the information provided by the patients concerned.
- 64. Mr YIU Si-wing considered that the Administration should be open-minded to the idea of another round of ESS. In anticipation that vaccination in early 2021 would help stabilize the pandemic, Mr SHIU Ka-fai and Mr Frankie YICK shared the view that a third round of ESS should be rolled out to assist enterprises during the interim period.
- 65. In response, <u>CS</u> and <u>SLW</u> said that:
 - (a) the Government would not rule out the possibility of implementing appropriate support measures in the light of actual needs; and
 - (b) vaccines might not necessarily remove COVID-19 instantly and eliminate unemployment. It was necessary to develop appropriate measures to meet longer-term needs.
- 66. <u>Mr WONG Kwok-kin</u>, <u>Mr LEUNG Che-cheung</u> and <u>Mr CHAN</u> <u>Chun-ying</u> were concerned about possible abuse by unscrupulous employers in the catering trade who chose to close their business after pocketing the

subsidies, instead of seeking to retain their employees. In response, <u>DFEH</u> said that:

- (a) catering outlets were given maximum flexibility over the use of the one-off subsidy to support their business, which would be conducive to retention of employees; and
- (b) the subsidy would be disbursed to catering establishments in two tranches. The second tranche would only be payable upon the applicants' confirmation of their business operation in February 2021.
- 67. Mr Tony TSE considered that to help ease unemployment in his constituency, the Administration should expedite the implementation of public works projects. Ir Dr LO Wai-kwok cautioned that the territory-wide unemployment rate of 6.3% would likely rise after conclusion of ESS in November 2020. He also highlighted the difficulties confronting the construction sector as follows:
 - (a) the current unemployment rate of 10.9% in the construction sector might deteriorate after completion of ESS; and
 - (b) job opportunities might further dwindle due to the break in the supply chain of construction materials following the suspension of service of barges plying between Guangdong Province and Hong Kong.
- 68. In response, <u>CS</u> confirmed that:
 - (a) the Government would continue to submit public works proposals to FC for approval after endorsement by the Public Works Subcommittee; and
 - (b) the Transport and Housing Bureau and Development Bureau would spare no effort to follow up with the Mainland authorities on ways to ensure a secure supply chain.
- 69. Referring to some 100 000 self-employed persons in his constituency, Mr MA Fung-kwok enquired whether, in compiling the official unemployment rate, these individuals would be regarded as unemployed persons when they were out of work. <u>SLW</u> said that as he recalled, the self-employed persons were included in the labour force statistics (including unemployment rate) compiled from the General Household Surveys.

Efforts to combat coronavirus disease-2019

- 70. <u>Ir Dr LO Wai-kwok, Ms Elizabeth QUAT, Mr LEUNG Che-cheung, Mr KWOK Wai-keung, Mr CHAN Hak-kan, Mr SHIU Ka-fai, Ms YUNG Hoi-yan</u> and <u>Dr Junius HO</u> were gravely concerned about the mutant strain of COVID-19 found in the United Kingdom ("UK"), and stressed the need for timely and decisive action to prevent its importation. <u>Mr Michael TIEN</u> was keen to ensure that flights from UK would be banned for the next two weeks and that the quarantine period for visitors arriving from high-risk places should be increased from 14 to 21 days.
- 71. <u>CS</u> assured members that the Government would spare no effort in safeguarding against the importation of mutant virus strains. Relevant measures would be announced by the Secretary for Food and Health ("SFH") very shortly (in the afternoon of 21 December 2020).
- 72. <u>Dr Junius HO, Mr Martin LIAO</u> and <u>Mr Abraham SHEK</u> expressed support for the current proposal but cautioned that disbursement of subsidies could only provide temporary relief and were by no means a permanent measure. They reiterated that an effective anti-epidemic strategy was the key to resumption of normal economic activities.
- 73. Some members including Mr CHAN Han-pan, Mr LUK Chunghung, Mr WONG Ting-kwong, Mr Holden CHOW and Mr MA Fung-kwok deplored the lack of a clear action plan, strategy and efficacy in the Administration's efforts to combat COVID-19. Mr Martin LIAO called for a proactive, instead of a reactive, approach to combat the pandemic. Ms Starry LEE and Mr CHEUNG Kwok-kwan urged the Administration to pay heed to growing public discontent and devise a roadmap-cum-timetable to achieve zero infection.
- 74. <u>Dr CHIANG Lai-wan</u>, <u>Ms Elizabeth QUAT</u> and <u>Dr Junius HO</u> expressed dissatisfaction with Government's ongoing ant-epidemic efforts and urged the Administration to learn from the Mainland's successful three-pronged strategy comprising mandatory territory-wide virus testing, temporary stay-at-home order and a health code system, and implement these measures in Hong Kong swiftly.
- 75. Noting members' views, CS advised that:
 - (a) the Government was committed to combating the virus from all fronts and achieving zero infection the earliest possible;

- (b) all along, the Government's priority tasks were to safeguard against importation of virus and to prevent local transmission;
- (c) a stay-at-home order would disrupt people's daily lives and economic activities;
- (d) at present, testing service was widely available with the operation of community testing centres, distribution of specimen bottles at convenient locations including 20 Mass Transit Railway Stations, over 100 Post Offices and Outpatient Clinics of the Hospital Authority;
- (e) the daily testing capability had been greatly increased to some 100 000 tests while the testing fee had been driven down to \$240;
- (f) special arrangements had been put in place to facilitate high risk or high exposure groups (e.g. foreign domestic helpers) to undergo testing;
- (g) SFH had been vested with necessary statutory powers to require certain categories of persons to undergo compulsory testing in specified circumstances;
- (h) the Government had all along maintained close dialogue with Mainland authorities on anti-epidemic issues; and
- (i) the collective effort and cooperation of the entire community was essential for the successful fight against the virus.
- 76. <u>Ms Alice MAK</u> asked the Administration to explore the feasibility of requiring designated groups, such as civil servants, medical and nursing professionals, to undergo mandatory virus tests. <u>CS</u> took note of her suggestion for consideration.
- 77. <u>Dr Junius HO</u> queried the Administration's determination in fighting the virus as it had asked civil servants to work from home during the epidemic outbreak. <u>Mr Tony TSE</u> was concerned about the provision of public services under the WFH arrangements. In response, CS said that:
 - (a) the WFH arrangements in the civil service aimed to reduce people flow, gatherings and minimize infection risk;

- (b) employers in the private sector were encouraged to adopt similar arrangement; and
- (c) in devising their WFH arrangements, individual departments would ensure that the provision of necessary services would not be affected.
- 78. On the impact of the pandemic and related restrictions on the business sector, Mr Jeffrey LAM cautioned that many local companies could no longer perform their intermediary role between foreign and Mainland enterprises if closure of border persisted. Mr LAM urged for early implementation of a health code system to enable cross-boundary travels.

79. In response, <u>CS</u> advised that:

- (a) Hong Kong was technically ready for the implementation of a health code system to facilitate travel to and from Macao and the Mainland. However, this initiative had been put on hold owing to the resurgence of the epidemic in July/August 2020 in Hong Kong; and
- (b) members of the public were encouraged to use tools such as the LeaveHomeSafe Mobile App to facilitate contact-tracing and infection control.
- 80. Mr CHAN Chun-ying and Mr SHIU Ka-fai enquired on the feasibility of issuing consumption vouchers to the general public to help boost the local economy, in particular the retail sector. CS said that the subject of consumption vouchers was being examined in the context of the 2021-2022 Budget.

81. Dr Priscilla LEUNG stated her views as follows:

- in addition to the four experts invited by the Chief Executive, the Administration should engage more experts, including Professor ZHONG Nan-shan (鍾南山);
- (b) there was a lack of co-ordination between the policy bureau and the Department of Health while the role of Dr WONG Ka-hing, Controller, Centre for Health Protection should be explained;
- (c) there had been non-action and complacency on the part of the Administration in its anti-epidemic work;

- (d) on the death of Ms Leticia LEE and the 10-day delay in notifying Ms LEE and her husband of their virus test results, the Administration should apologize and be held accountable for this administrative blunder; and
- (e) she had written to the Administration requesting a formal investigation into the matter.
- 82. Referring to a recent case in which a woman died while awaiting quarantine, Ms Alice MAK remarked that despite its year-long experience, the Administration's anti-epidemic work was still fraught with flaws. Ms Starry LEE deplored the delay in transfers to quarantine centres and hospitals and urged for swift rectification.
- 83. In response, <u>CS</u> and <u>USFH</u> said that:
 - (a) all along, the Government had paid close attention to the opinions of Professor ZHONG, who was a renowned expert;
 - (b) the suggestion of engaging additional experts would be relayed to the Chief Executive for consideration;
 - (c) the Government expressed its deepest condolence to the family of the deceased person, and would duly follow up with the Hospital Authority and relevant parties and look into the issue of notification of test results;
 - (d) the evacuation of a large number of residents from affected estates had placed a heavy strain on existing manpower and resulted in delay in transferring close contacts to quarantine centres;
 - (e) improvement actions had been taken and every endeavour was being made to complete transfer of close contacts to quarantine centres within 24 hours; and
 - (f) the Government would make the best effort to improve its services in the light of the community's expectation.
- 84. <u>Dr Pierre CHAN</u> urged CS to exercise caution when invoking the statutory powers to exempt certain categories of persons entering Hong Kong from mandatory quarantine requirements, given that the previous waves of pandemic were mainly the consequence of imported cases. <u>Dr CHAN</u> also

urged the Administration to draw reference from the successful experience of Macao, Taiwan and some Mainland cities in imposing stringent entry control measures. CS assured members that:

- (a) exemptions would only be granted exceptionally to persons as per allowed under the law. For example, persons providing essential services, such as cross-boundary cargo vehicle drivers, seafarers and aircraft crews; and
- (b) such exemption was subject to stringent conditions for protection of public health, an example being the requirement on aircraft crews to stay inside hotels during their entire transit stay in Hong Kong.
- 85. <u>Ir Dr LO Wai-kwok</u> said that the use of Macao Health Code (澳康碼) and Yue Kang Code (粤康碼) amply demonstrated the readiness of Macao and the Mainland for resumption of cross-boundary travels, well ahead of Hong Kong. While expressing support for the current proposal, <u>Mr LEUNG Che-cheung</u> considered that Hong Kong lagged behind Macao and Taiwan in the fight against the virus and that the Administration should take actions to boost public confidence in its work, notably the upcoming vaccination programme.

86. <u>Mr Kenneth LAU</u> enquired on the following:

- (a) whether staff from other government departments had been deployed to assist the Department of Health, especially in tracing the origins of infection and close contacts; and
- (b) the reasons why the origin could not be traced for some 30% of the 100 or so confirmed cases daily.

87. <u>CS</u> and <u>USFH</u> advised that:

- (a) officers from all bureaux and departments were contributing their best efforts to fight COVID-19;
- (b) some examples included the deployment of officers with criminal investigation experience from the Police to conduct contact-tracing, as well as joint departmental operations in evacuating residents swiftly from an elderly home to the quarantine centre; and

- (c) the rapid and widespread transmission of the 4th wave of the epidemic in the community had caused tremendous difficulty in contact tracing.
- 88. Referring to non-wearing of masks in public places which was an offence, Mr SHIU Ka-fai urged the Administration to step up enforcement action. CS said that over 100 fixed penalty tickets had been issued since the recent increase of fixed penalty to \$5,000. He also appealed to members of the public to help fight the virus by exercising self-discipline and cooperation.
- 89. <u>Ms Elizabeth QUAT</u> considered that the Administration's antiepidemic work lacked high-level coordination. Referring to large group gatherings of foreign domestic helpers in public places, she queried whether all responsible government departments had duly performed their enforcement roles. In this regard, <u>CS</u> and <u>DFEH</u> advised that:
 - (a) the Steering Committee cum Command Centre led by the Chief Executive held meetings attended by all Principal Officials and department heads concerned at frequent intervals;
 - (b) FEHD had so far issued more than 900 summonses to catering establishments. Over 100 fixed penalty tickets and summonses had also been issued in respect of breaches of regulations on group gatherings and wearing of masks; and
 - (c) under existing arrangements, enforcement action was taken by authorized officers of the relevant department which had policy responsibility over the venue or premises where the offence was detected.
- 90. To enhance efficacy in enforcement, <u>Ms Elizabeth QUAT</u> considered that instead of a venue-based approach, any authorized public officer should be allowed to take enforcement action against non-compliance. <u>CS</u> took note of Ms QUAT's view for consideration.
- 91. <u>Mr Paul TSE</u> gave the following views on the Administration's anti-epidemic efforts:
 - (a) Hong Kong lagged behind Macao in the fight against COVID-19;

- (b) the public had been frustrated by the unavailability of many public services due to the WFH arrangements implemented in the civil service;
- (c) the Administration should suitably deploy some of these civil servants as well as staff from disciplined services to beef up anti-epidemic work on all fronts; and
- (d) despite being vested with the statutory power to enact emergency regulations, the Administration had failed to take decisive, effective and timely actions to deal with the pandemic.
- 92. <u>Mr Paul TSE</u> and <u>Ms Starry LEE</u> queried the timeliness of implementing the Designated Quarantine Hotel Scheme on 22 December 2020 but not earlier. In this regard, CS said that:
 - (a) reasonable lead time was required for the hotels to complete disinfection and cleansing work, as well as arrange for the checking-out of staying guests; and
 - (b) of the 36 designated hotels, five had commenced the in-take of overseas returnees for quarantine since 19 December 2020.
- 93. <u>Mr YIU Si-wing</u> stressed the need for the Administration to work out necessary logistical arrangements with the 36 designated hotels, especially the airport to hotel transfers.
- 94. <u>Mr Michael TIEN</u> asked whether consideration would be given to setting up an indemnity fund to deal with adverse events after vaccination. <u>Dr Pierre CHAN</u> was concerned about the liability, if any, of the vaccine manufacturers. They also sought information on the efficacy of the upcoming vaccines on the mutant virus strain currently active in UK.
- 95. In response, <u>CS</u> and <u>USFH</u> advised that:
 - (a) the Government would continue to monitor the development of the epidemic including any virus mutation(s);
 - (b) the relevant Scientific Committee under Department of Health would continue to monitor safety and efficacy data from phase III clinical trials of the vaccines; and

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> (c) a mechanism had been put in place under which an Advisory Panel on COVID-19 Vaccines comprising experts from relevant fields would advise SFH on the authorization of COVID-19 vaccines for emergency use based on the available data and scientific evidence.

Meeting arrangements

- 96. The meeting was suspended at 11:05 am and resumed at 11:15 am.
- 97. At 1:00 pm, the Chairman announced the close of the morning session and said that FC would continue the deliberation on this item in the afternoon at 2:00 pm.

Motion proposed by a member under paragraph 37A of the Finance Committee Procedure

98. At 4:57 pm, the Chairman put to vote the question that the motion proposed by Dr Junius HO under the Finance Committee Procedure 37A express views on the item should be proceeded with forthwith. Chairman also reminded members that the motion in question was a procedural motion and not a motion to deal with the merits or otherwise of the substantive contents of the motion. At the request of members, the Chairman ordered a division. The Chairman declared that the question put was negatived.

Voting on FCR(2020-21)77

99. At 5:02 pm, the Chairman put item FCR(2020-21)77 to vote. At the request of members, the Chairman ordered a division. The Chairman declared that 32 members voted in favour of and 1 member voted against the item, and 3 members abstained from voting. The votes of individual members were as follows:

For:

Mr Abraham SHEK Lai-him Mr Jeffrey LAM Kin-fung Mr CHAN Hak-kan Mrs Regina IP LAU Suk-yee Mr Steven HO Chun-yin Mr YIU Si-wing Mr CHAN Han-pan Mr Christopher CHEUNG Wah- Ms Elizabeth QUAT fung

Mr Tommy CHEUNG Yu-yan Mr WONG Ting-kwong Dr Priscilla LEUNG Mei-fun Mr Michael TIEN Puk-sun Mr Frankie YICK Chi-ming Mr MA Fung-kwok Mr LEUNG Che-cheung

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Mr Martin LIAO Cheung-kong Mr POON Siu-ping Mr Jimmy NG Wing-ka Ir Dr LO Wai-kwok Dr Junius HO Kwan-yiu Mr Holder CHOW Ho-ding Mr Wilson OR Chong-shing Mr SHIU Ka-fai Ms YUNG Hoi-yan Dr Pierre CHAN Mr CHAN Chun-ying Mr CHEUNG Kwok-kwan Mr LAU Kwok-fan Mr Kenneth LAU Ip-keung Mr Vincent CHENG Wing-shun Mr Tony TSE Wai-chuen (32 members)

Against:

Dr CEHNG Chung-tai (1 member)

Abstain:

Miss Alice MAK Mei-kuen Mr KWOK Wai-keung Mr LUK Chung-hung (3 members)

- 100. The Chairman declared that the item was approved.
- 101. The meeting ended at 5:08 pm.

<u>Legislative Council Secretariat</u> 20 August 2021