

LegCo Secretariat releases Research Brief on “The 2020-2021 Budget”

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council Secretariat (the Secretariat) today (April 3) released a Research Brief on "The 2020-2021 Budget".

The Financial Secretary delivered his third Budget of the current-term Government on February 26 and reported a fiscal deficit of HK\$37.8 billion in 2019-2020 financial year. The budget deficit is expected to more than triple to HK\$139.1 billion in 2020-2021, mostly due to a new package of relief measures of HK\$122 billion, or 4.3 per cent of Gross Domestic Product (GDP) in 2019, to combat COVID-19.

Within this largest fiscal relief package in the history of Hong Kong, 28 per cent are tax refunds and 9 per cent are targeted for enterprises. For the rest of 63 per cent, they are universal cash payout scheme (CPS) which pays HK\$10,000 to all permanent residents aged 18 or above in Hong Kong and other initiatives to support lower-income families, both bringing forth stronger income redistributive effect than the previous five Budgets.

There are concerns over the practical arrangement of CPS, in view of the past practice of taking about 19 months to complete cash payout. This is deemed to be much longer than that of only 4-10 months in Macao and Singapore. The administrative cost of about HK\$140 per successful application under CPS also appears to be on the high side.

Globally, many governments have introduced pandemic-induced fiscal relief packages in February to March 2020 to combat COVID-19. These packages exceed 10 per cent of GDP in many advanced places, including the United Kingdom (22 per cent), the United States (11 per cent) and Singapore (11 per cent). Majority of them are loan guarantees assisting enterprises to survive amidst business shutdown.

After recording fiscal surplus for 15 years in a row, Hong Kong's fiscal balance is expected to stay in red for the next five years. Some are concerned about local fiscal discipline, while others view it as a good use of the accumulative fiscal surplus of over HK\$1.13 trillion for rainy days. But the risks of structural deficits in the longer term cannot be dismissed, due to profound impacts of ageing on demand for social services, shrinking workforce and intertwined relationship between tax base and the structure of income distribution. Also, there is more overseas skepticism over Hong Kong as a global financial centre and best place to do business after social unrest last year, which might have implications for local tax base in the longer term.

Meanwhile, public housing plays a key role in social mobility, with

greater poverty alleviation effect than the Comprehensive Social Security Assistance. Yet the share of housing in public expenditure halved from 10.2 per cent in 1997-1998 to 5.0 per cent in 2019-2020, along with a plunge in the supply of public rental housing (PRH) flats. As supply of PRH flats is forecast to hover at a low average annual level till 2023-2024, its adverse impact on income disparity will still be felt in the medium term.

The Legislative Council will resume the Second Reading debate on the Appropriation Bill 2020 at its meeting of April 22 and Members will speak on the Bill.

The Research Brief is prepared by the Secretariat's Research Office of the Information Services Division with a view to enhancing information support for Members. It is a concise summary aiming at explaining a subject matter which may be of interest to Members and the general public.

The Research Brief is now available on the Legislative Council Website at www.legco.gov.hk/research-publications/english/1920rb01-the-2020-2021-budget-20200403-e.pdf.

[Correctional officers stop person in custody attacking staff](#)

Correctional officers at Lai Chi Kok Reception Centre stopped a person in custody attacking staff yesterday (April 2).

At 6.41pm yesterday, a 41-year-old male person in custody suddenly became emotional and attacked a correctional officer with his hand inside the reception office. Officers at the scene immediately stopped him. OC foam was used to subdue the person in custody after warnings were given in vain.

During the incident, the officer sustained injury to his face. After examination and treatment by the institution medical officer, he was referred to a public hospital for further treatment. The assailant did not sustain any injury.

The case has been reported to the Police for investigation.

The assailant was sentenced to imprisonment for the offence of contravention of regulations during quarantine.

Appointment of Town Planning Board members

The Chief Executive has appointed six official and 30 non-official members to the Town Planning Board (TPB) for a two-year term from April 1, 2020, to March 31, 2022. The membership list has been published in the Gazette today (April 3).

The Permanent Secretary for Development (Planning and Lands) has been re-appointed as Chairman of the TPB. Veteran member Mr Lincoln Huang Ling-hang has been appointed as Vice-chairman.

A spokesman for the Development Bureau said non-official members of the TPB come from a wide range of sectors. Their multi-disciplinary expertise and wealth of experience will contribute to the work of the TPB in discharging its statutory functions under the Town Planning Ordinance (Cap. 131) (TPO).

TPB members are also appointed to serve on the TPB's two planning committees, namely the Metro Planning Committee (MPC) and the Rural and New Town Planning Committee (RNTPC). The Director of Planning has been re-appointed as the Chairman of both the MPC and the RNTPC. Mr Wilson Fung Ying-wai and Mr Stephen Liu Ling-hong have been appointed as the Vice-chairmen of the MPC and the RNTPC respectively.

"We also wish to thank the seven retiring members for their contributions over the past years," the spokesman said.

The TPB is a statutory body established under section 2 of the TPO with a view to promoting the health, safety, convenience and general welfare of the community through the systematic preparation and approval of plans for the layout of areas of Hong Kong.

Following is the full membership of the TPB for the new term:

Chairman

Permanent Secretary for Development (Planning and Lands)

Vice-chairman

Mr Lincoln Huang Ling-hang

Official Members

Director of Planning

Deputy Secretary (Transport)¹, Transport and Housing Bureau, or alternate representative

Director of Home Affairs, or alternate representative

Director of Environmental Protection, or alternate representative
Director of Lands, or alternate representative

Non-official Members

The re-appointed members are:

Mr Cheung Kwok-kit
Mr Stanley Choi Tak-shing
Mr Wilson Fung Ying-wai
Dr Hau Chi-hang
Mr Thomas Ho On-sing
Mr Philip Kan Siu-lun
Mr Kwok Lit-tung
Mr Alex Lai Ting-hong
Mr Daniel Lau King-shing
Ms Lilian Law Suk-kwan
Mr Leung Ka-wing
Dr Lawrence Li Kwok-chang
Mr Stephen Liu Ling-hong
Professor Liu Tik-sang
Professor John Ng Cheuk-yee
Dr Jeanne Ng Chi-yun
Miss Winnie Ng Wing-mui
Dr Lawrence Poon Wing-cheung
Ms Sandy Wong Hang-yee
Professor Jonathan Wong Woon-chung
Dr Frankie Yeung
Mr Franklin Yu
Mr Ricky Yu Wai-yip
Mr Peter Yuen Ka-tat

The new appointees are:

Dr Roger Chan Chun-kwong
Dr Venus Lun Yuen-ha
Mr Tse Cheung-hing
Mr Conrad Wong Tin-cheung
Mr Wong Yuen-shan

**Qualified person disciplined for
committing offence relating to**

prescribed inspection and repair of windows

The Registered Contractors' Disciplinary Board has completed a disciplinary inquiry under the Buildings Ordinance (BO) and decided that a Registered Minor Works Contractor (RMWC) appointed as a qualified person (QP) under the Mandatory Window Inspection Scheme (MWIS) and its Authorised Signatory (AS) (also being the RMWC's director) should be disciplined for having been convicted by the court of offences relating to prescribed inspection and repair of windows. This was the first disciplinary inquiry against a QP under the MWIS.

The Board ordered the RMWC and its AS to be fined \$6,000 respectively, and they are to pay about \$58,000, being the costs of the Board and the Buildings Department (BD) for conducting the inquiry. The Board's decision and order made on January 23, 2020, was published in the Gazette today (April 3). Details are available at the following link:
www.gld.gov.hk/egazette/pdf/20202414/egn202024141576.pdf.

The RMWC and its AS submitted a certificate to the BD in January 2015, certifying that the windows of the premises were safe and that no prescribed repair was required.

Subsequently, the BD conducted an investigation in response to a report about substandard window repair at the premises concerned. In the investigation, it was revealed that certain window repair works had in fact been carried out.

The RMWC and its AS were later prosecuted, convicted and fined \$6,000 respectively at the Eastern Magistrates' Courts on February 25, 2016, pursuant to sections 40(2A)(c) and 40(5) of the BO for knowingly misrepresenting a material fact in certifying that the windows of the premises were safe and that no prescribed repair was required. In view of the convictions, the BD notified the disciplinary board for its consideration and action against the RMWC and its AS under the provisions of sections 13(1) and 13(3) of the BO.

A spokesperson for the BD reiterated that in order to ensure building safety, the BD attaches great importance to the quality of the prescribed inspection and repair of windows by a QP. Any QP who contravenes the relevant provisions of the BO in carrying out the prescribed inspection and repair of windows under the MWIS is not only liable to criminal prosecution but also disciplinary action under the Ordinance.

Tenders invited for advertising area licence of government property

The Government Property Agency is inviting tenders for a three-year licence of the advertising area on a portion of the rooftop of Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong.

The tender notice was uploaded today (April 3) to the Agency's website: www.gpa.gov.hk. Tender documents are available for collection at the Government Property Agency, 9/F, South Tower, West Kowloon Government Offices, 11 Hoi Ting Road, Yau Ma Tei, Kowloon, during office hours (8.30am to 5.45pm from Mondays to Fridays). The documents can also be downloaded from the Agency's website.

Interested tenderers who wish to attend a site inspection should make prior appointment with the Government Property Agency by calling 3842 6775 on or before April 15, 2020.

Tenderers must submit their tenders by placing them in the Government Secretariat Tender Box situated in the lobby of the public entrance, Ground Floor, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong, before noon on April 24, 2020. Late tenders will not be accepted.