

Speech

Opening remarks by SFST on public finance at LegCo Finance Committee Special Meeting

Wednesday, March 7, 2012

Following is the English translation of the opening remarks by the Secretary for Financial Services and the Treasury, Professor K C Chan, on public finance at the Finance Committee Special Meeting of the Legislative Council today (March 7):

Chairman and Members,

This session of the special meetings of the Finance Committee will examine the expenditure estimates of the Treasury Branch and related departments. The Treasury Branch has oversight of several programmes, which cover revenue and financial control, provision of central support services within the Government and maintenance of government properties. Before the question session begins, I would like to brief Members on some points.

Estimates by Programmes

The estimated total recurrent expenditure for the three programmes mentioned above for 2012-13 is \$7,550.32 million, with about \$4,400 million on revenue and financial control, about \$2,300 million on provision of central support services within the Government, and about \$800 million on maintenance of government properties. The estimated expenditure for these three programmes for 2012-13 is about \$1,430 million higher than the revised estimate for 2011-12.

Before giving an account of the key areas of work in the coming year, I would like to update Members on the latest position of Scheme \$6,000.

Scheme \$6,000

* Since Scheme \$6,000 was launched on August 28, 2011, its overall implementation has been smooth. Up to February 15, over 4.47 million people, or 72 per cent of all eligible persons, successfully registered under the Scheme.

* The Scheme will enter Stage 2 on April 1, 2012. Persons who met the eligibility criteria on the launch date (i.e. August 28, 2011) may register from April 1, 2012, to December 31, 2012, to receive payment of \$6,000 plus a bonus of \$200.

* Last week, we submitted an information paper to the Panel on Financial Affairs of the Legislative Council, reporting the implementation progress and the preparation for the next stage of the Scheme.

* In short, we estimate that there are about 1.69 million eligible persons who have yet to register as at April 1, 2012. Having regard to the experience gained since implementation, we do not see the need for a similar batching arrangement in Stage 2. However, to facilitate registration by those who are aged 65 or above, we will accord priority to processing registrations made by these elderly registrants during the first two weeks of April.

* Starting from early March, we will stage a new round of publicity to inform the public of the registration arrangements and the timetable for Stage 2.

Key Areas of Work in the Coming Year

As regards our work in the coming year, I would like to highlight the following key areas:

* We will continue to carry out a number of government office building projects in the coming year. The construction project of the Trade and Industry Tower (TI Tower) in the Kai Tak Development Area has commenced. Upon completion of the TI Tower in 2014, the Trade and Industry Department Tower in Mong Kok will be vacated for commercial use. We are planning to construct a government office building at Hoi Ting Road, West Kowloon, and will seek to implement this project as soon as possible subject to the availability of resources. Also, we will help departments prepare their relocation programme and minimise leasing of private commercial buildings. We will relocate government departments from the core business districts where appropriate to increase the supply of Grade A offices for more effective use of land resources.

* Regarding the maintenance of over 8,000 government buildings and facilities in the territory, we will continue to step up and promote preventive maintenance work. We will also introduce green elements to our daily maintenance by incorporating green building features and green roofs into existing buildings and facilities. Moreover, we have earmarked \$100 million in this financial year and approximately \$260 million in the next one for improving the existing barrier-free facilities in some 2,700 government buildings and facilities which are heavily used by the general public. The improvement works of barrier-free facilities in about 2,500 government buildings and facilities are expected for completion by the end of June this year and the remaining ones will be completed by the end of June 2014 as scheduled.

* On the premise of ensuring value for money, openness and fairness, our procurement exercise will continue to be in alignment with the green policy of the Government. Subject to market supply and resource availability, the Government Logistics Department will actively adopt the green specifications already developed in its procurement activities. Currently, there are 33 electric vehicles in the government fleet. Another 42 electric vehicles will be delivered to us in mid-2012. Depending on the availability of suitable models on the market and the operational needs of bureaux and departments, we plan to give priority to electric vehicles when procuring government vehicles in these two financial years. We expect to have an intake of close to 200 electric vehicles of various types in these two years for government departments.

* As regards the expansion of the Comprehensive Agreement for Avoidance of Double Taxation (CDTA) network of Hong Kong, rapid progress was made in the past two years, during which we signed CDTAs with 18 major trading and investment partners. We will continue to actively negotiate with more partners on CDTAs so as to enhance the competitiveness of Hong Kong as an international financial, investment and commercial hub.

Chairman, my colleagues and I will be happy to answer any questions that Members may wish to raise. Thank you.

Ends