

LCQ1: Relief measures of the Government

Following is a question by the Hon Paul Tse and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (May 20):

Question:

The social incidents, which have persisted for more than half a year, have dealt a heavy blow to Hong Kong's economy. Then, the Coronavirus Disease 2019 epidemic (formerly referred to as "novel coronavirus-infected pneumonia") has been sweeping across the globe, plummeting the global economy and stock markets. Some members of the accounting sector have predicted that if the Government does not implement additional relief measures, the economy of Hong Kong may fall further, with bankruptcy and winding up cases reaching a peak in August this year and registering a huge year-on-year increase of 20% to 30%. In this connection, will the Government inform this Council:

(1) whether it will raise the amount of the cash handout to each adult Hong Kong Permanent Resident to \$20,000, and collaborate with the banking sector so that banks may, upon receiving signed authorisations from individual clients and having verified the latter's eligibility for receiving the sum, disburse the sum in advance, so as to address the urgent needs of members of the public; if so, of the details; if not, the reasons for that;

(2) as members of the public filing bankruptcy petitions are currently required to deposit with the Official Receiver a sum of \$8,000 and pay a court fee of \$1,045, whether the Government will, in view of the expected emergence of a surge of bankruptcy, offer concessions on the relevant fees or make such payments on behalf of the persons concerned, so as to prevent an increasing number of members of the public from suffering the hardship of "failing even to afford the payments for bankruptcy applications"; and

(3) in view of the suggestion made by some senior scholars well versed in real estate and economics that the titles (with resale restrictions) of the public housing units held by the Housing Authority, the total estimated value of which amounts to \$100 billion, be transferred for free to those sitting tenants who have resided in the units for 10 or more years, so that the management and maintenance expenses, which are close to \$20 billion a year, can thus be saved and reallocated to meeting expenses on public housing development and provision of support for the sandwich and middle class (e.g. providing tax concessions, rent subsidies or home purchase support), whether the Government will consider this suggestion; if so, of the details; if not, the reasons for that?

Reply:

President,

We understand fully that the social events last year and the COVID-19 pandemic have brought immense impact to various industries and sectors. The Government has launched four rounds of relief measures amounting to more than \$30 billion between August and December last year. Since the beginning of this year, three rounds of measures totalling \$287.5 billion to assist the affected industries and the public were announced, including the first round of \$30 billion relief measures under the Anti-epidemic Fund in February; the \$120 billion relief package in the 2020-21 Budget; and the second round of \$137.5 billion relief measures under the Anti-epidemic Fund in April. We will closely monitor the situation in the community and continue to implement counter-cyclical measures and provide targeted support to enterprises and the general public for riding out the crisis together.

Having consulted the Transport and Housing Bureau, our reply to the Hon Paul Tse is as follows:

(1) The Cash Payout Scheme (the Scheme) announced by the Financial Secretary in his Budget will disburse \$10,000 to each Hong Kong permanent resident aged 18 or over with a view to encouraging and boosting local consumption, and relieving people's financial burden. It is expected to benefit about seven million people. For the amount of disbursement, having thoroughly considered all the counter-cyclical and mitigation measures and their financial impact, we consider \$10,000 an appropriate amount. The preparation work for the Scheme has reached its final stage. We will announce the details as soon as possible. The Government's target is to strive to commence registration in end June and start making payment within July. We expect that majority of the seven million eligible citizens will receive payment by the end of August. The proposal mentioned in the question will also require authorisation from the party concerned to use his/her personal data and to perform verification of eligibility. It will not expedite payment disbursement time in practice.

(2) As for the bankrupts, Rule 52 of the Bankruptcy Rules (Cap. 6A) provides that the debtor shall deposit a sum of \$8,000 with the Official Receiver's Office (ORO) upon presentation of bankruptcy petition against himself. The ORO does not have the discretionary power to waive or reduce the deposit. The deposit is for covering costs and expenses in processing the bankruptcy case, e.g. the accountable and advanced costs incurred in gazetting and publishing statutory notices, charges for conducting various searches (e.g. bank search, land search and company search), expenses incurred in the service of notices, statutory court fees, etc. In fact, our policy is that the fees charged should in general be set at levels adequate to recover the full costs of providing the services to ensure that the costs for providing the services do not fall on the general taxpayers. It is also a common international practice to require a debtor to pay a deposit upon presentation of bankruptcy petition against himself. The arrangements in Hong Kong are similar to those adopted in other jurisdictions such as the United Kingdom and Singapore. The current amount of deposit for debtor's bankruptcy petition against himself was revised in 2013 (from the then level of \$8,650 to the current level of \$8,000). The ORO will keep in view the cost recovery situation of the

relevant services and will consider reviewing the deposit amount where necessary. As for the \$1,045 court fee payable to the High Court for filing a debtor's petition, the fee level, same as fees for commencement of other causes or matters, is stipulated in the High Court Fees Rules (Cap. 4D).

(3) Public rental housing (PRH) units are valuable public assets. Transferring the ownership of PRH units to PRH tenants for free is not in line with the principle of effective use of public money and housing resources, especially amid a public housing supply that can yet to satisfy the demand in society at the moment. Furthermore, transferring the ownership of PRH units to sitting tenants will also drastically reduce the number of PRH units available for allocation, which will severely lengthen the waiting time for families applying for PRH. Therefore, the suggestion of transferring the ownership of PRH units for free is not feasible.

The greatest challenge in relation to public housing is the shortage of land supply. We will strive to identify land under a multi-pronged approach so as to effectively resolve the housing problem in the long run. We will also continue to maximise the use of the land secured for public housing construction.

Furthermore, in recent years, the Government has also proposed various short- and medium-term support measures to meet people's housing needs and home ownership aspirations. These measures include accelerating the sale of unsold flats in Tenants Purchase Scheme (TPS) estates; expediting the sale of Home Ownership Scheme and Green Form Subsidised Home Ownership Scheme flats; further increasing the quota for White Form Secondary Market Scheme; launching Starter Homes for Hong Kong Residents pilot project; increasing the supply of transitional housing; and on a trial basis, providing a cash allowance to eligible General Applicant households who are not living in PRH, not receiving Comprehensive Social Security Assistance and have been waiting for PRH for more than three years.