

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 13th meeting
held at the Legislative Council Chamber
on Friday, 25 May 2001, at 2:30 pm**

Members present:

Hon NG Leung-sing (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Hon David CHU Yu-lin
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Prof Hon NG Ching-fai
Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching
Hon CHAN Yuen-han
Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung

Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon Mrs Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Dr Hon Philip WONG Yu-hong (Chairman)
Ir Dr Hon Raymond HO Chung-tai, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Hon Mrs Selina CHOW LIANG Shuk-yee, JP
Hon CHAN Kwok-keung
Hon Bernard CHAN
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon LAU Ping-cheung

Public officers attending:

Miss Denise YUE, JP
Mr Stanley YING, JP
Mr K K LAM

Mr Kim SALKELD, JP

Secretary for the Treasury
Deputy Secretary for the Treasury
Principal Executive Officer (General),
Finance Bureau
Deputy Secretary for the Environment and
Food (B)

Mr Donald TONG	Principal Assistant Secretary for the Environment and Food
Mr K K KWOK	Deputy Secretary for Works
Mr J COLLIER, JP	Director of Drainage Services
Mr LAM Chiu-hung	Assistant Director of Drainage Services
Mr HON Chi-keung	Chief Engineer of Drainage Services Department
Mr Benny WONG	Assistant Director of Environmental Protection
Mrs Lily YAM, JP	Secretary for the Environment and Food
Mrs Stella HUNG, JP	Deputy Secretary for the Environment and Food (A)
Mrs Ingrid YEUNG	Principal Assistant Secretary for the Environment and Food
Mrs Rita LAU, JP	Director of Food and Environmental Hygiene
Mrs Lessie WEI, JP	Director of Agriculture, Fisheries and Conservation
Mr C M CHENG	Chief Social Security Officer, Social Welfare Department
Miss Bertha CHENG	Chief Labour Officer, Labour Department

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Ms Anita SIT	Senior Assistant Secretary (1)8

As Dr Philip WONG, Chairman of the Finance Committee (FC), was out of town, Mr NG Leung-sing, Deputy Chairman, took the chair for this meeting.

Item No. 1 - FCR(2001-02)4

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 2 MAY 2001**

2. The Committee approved the proposal.

Item No. 2 - FCR(2001-02)5

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 18 APRIL 2001, 25 APRIL 2001 AND 3 MAY 2001**

3. At members' request to consider and vote on PWSC(2001-02)9 and PWSC(2001-02)10 separately, the Deputy Chairman put FCR(2001-02)5, except PWSC(2001-02)9 and PWSC(2001-02)10, to the vote. The Committee approved the proposal.

PWSC(2001-02)9 301DS East Kowloon sewerage, stage II

4. Members noted that the proposal sought to increase the approved project estimate (APE) of Public Works Programme Item 301DS "East Kowloon sewerage, stage 2" from \$162.5 million to \$225.5 million to cover additional costs arising from the poor performance and voluntary liquidation of the forfeited contractor, as well as additional nightworks to be undertaken.

5. Miss Emily LAU was greatly dissatisfied with the manner in which the Administration handled the forfeiture of contract for the present case as its late re-entry action had resulted in considerable additional costs and delay. She referred to the supplementary information provided by the Administration on the four forfeited contracts managed by the Drainage Services Department during the past three years (PWSCI(2001-02)4 issued vide LC Paper No. PWSC117/00-01) and pointed out that although additional costs had been incurred as a result of forfeiture of contracts, two of the four forfeited contracts were still within the original APEs. She thus urged the Administration to refrain from inflating the APEs for future projects. Maintaining her dissatisfaction and yet noting the need for additional funding for completion of the project, Miss LAU expressed grave reservation on the proposal.

6. Mr Frederick FUNG Kin-kee also expressed reservation on the proposal.

7. The Deputy Chairman put the item to vote. 35 members voted for the item, one voted against and five abstained:

For:

Mr Kenneth TING Woo-shou
Mr David CHU Yu-lin
Mr Fred LI Wah-ming
Miss Margaret NG
Mr CHEUNG Man-kwong
Miss CHAN Yuen-han
Mrs Sophie LEUNG LAU Yau-fun
Mr WONG Yung-kan
Mr Howard YOUNG
Mr YEUNG Yiu-chung

Mr James TIEN Pei-chun
Mr Martin LEE Chu-ming
Dr LUI Ming-wah
Mr James TO Kun-sun
Mr HUI Cheung-ching
Mr CHAN Kam-lam
Mr SIN Chung-kai
Mr Jasper TSANG Yok-sing
Dr YEUNG Sum
Mr LAU Kong-wah

Mr Ambrose LAU Hon-chuen
Mr Andrew CHENG Kar-foo
Mr LAW Chi-kwong
Mr Abraham SHEK Lai-him
Mr Henry WU King-cheong
Mr Albert CHAN Wai-yip
Dr LO Wing-lok
Mr IP Kwok-him
(35 members)

Miss CHOY So-yuk
Mr SZETO Wah
Mr TAM Yiu-chung
Ms LI Fung-ying
Mr Tommy CHEUNG Yu-yan
Mr LEUNG Fu-wah
Mr WONG Sing-chi

Against:

Mr Frederick FUNG Kin-kee
(1 member)

Abstention:

Miss Cyd HO Sau-lan
Mr LEE Cheuk-yan
Mr LAU Chin-shek
Miss Emily LAU Wai-hing
Ms Audrey EU Yuet-mee
(5 members)

8. The Committee approved the item.

**PWSC(2001-02)10 227DS Trials and studies in relation to the
way forward for the Harbour Area
Treatment Scheme**

9. Mr Frederick FUNG Kin-kee enquired about the follow-up action taken by the Administration subsequent to the motion debate on Strategic Sewage Disposal Scheme (SSDS) at the Council meeting on 10 January 2001. Having regard to the problems arising from Stage I of SSDS for which over \$8 billion had been paid to the consultants, he enquired about the mechanism for monitoring the performance of consultants in implementing Stage I of the Harbour Area Treatment Scheme (HATS) (formerly known as SSDS) and whether green groups would be invited to assist in the monitoring. He also enquired whether an environmental impact assessment (EIA) study would be conducted on the project .

10. In response, the Deputy Secretary for the Environmental and Food (B) (DS(EF)B) clarified that the total cost of SSDS was \$8.4 billion, of which only a relative small portion was for consultant fees while most of it was construction cost. Following the passage of the motion on SSDS, the Administration had held further discussion with the Panel on Environmental Affairs. It would continue to report progress of the project to the Panel, including trials and studies on sewage treatment technologies for the future stages of HATS.

11. On the monitoring mechanism, DS(EF)B said that a Monitoring Group chaired by the Secretary for the Environment and Food would be set up to assist in the process. The Group comprised, among others, four members from the Advisory Council on the Environment (ACE) two of whom were from non-government organizations concerned with environmental matters. He assured members that the public would be fully informed of the progress of these trials and studies. When the full EIA study was completed for the way forward on HATS, the report would be published and made available to the public and the ACE to ensure that the community would have full opportunity to comment on it.

12. DS(EF)B further said that the Administration was constantly reviewing the way in which EIA was conducted to see how its procedures could be improved. This year, the ACE would pay a visit to Europe and would exchange views with environmental groups to understand their EIA procedures with a view to applying some of them in Hong Kong where appropriate.

13. Miss Cyd HO said that she would not support the proposal. She expressed concern about recurrent problems arising from SSDS given that the new monitoring mechanism was basically not much different from the previous one. She also criticized the Administration for not taking an open attitude in that the trials were confined to Biological Aerated Filters technology for sewage treatment and the Administration was inclined to adopt a centralized sewage treatment system without regard to the risk involved.

14. The Deputy Chairman put the item to vote. 36 members voted for the item, four voted against and one abstained:

For:

Mr Kenneth TING Woo-shou
Mr David CHU Yu-lin
Mr Martin LEE Chu-ming
Dr LUI Ming-wah
Mr James TO Kun-sun
Mr HUI Cheung-ching
Mr CHAN Kam-lam
Mr SIN Chung-kai
Mr WONG Yung-kan
Mr Howard YOUNG
Mr YEUNG Yiu-chung
Mr Ambrose LAU Hon-chuen
Mr SZETO Wah
Mr TAM Yiu-chung
Ms LI Fung-ying
Mr Tommy CHEUNG Yu-yan
Mr LEUNG Fu-wah
Mr WONG Sing-chi
(36 members)

Mr James TIEN Pei-chun
Mr Albert HO Chun-yan
Mr Fred LI Wah-ming
Miss Margaret NG
Mr CHEUNG Man-kwong
Miss CHAN Yuen-han
Mrs Sophie LEUNG LAU Yau-fun
Mr Andrew WONG Wang-fat
Mr Jasper TSANG Yok-sing
Dr YEUNG Sum
Mr LAU Kong-wah
Mr Andrew CHENG Kar-foo
Mr LAW Chi-kwong
Mr Abraham SHEK Lai-him
Mr Henry WU King-cheong
Mr Albert CHAN Wai-yip
Dr LO Wing-lok
Mr IP Kwok-him

Against:

Miss Cyd HO Sau-lan
Mr LEUNG Yiu-chung
Miss Emily LAU Wai-hing
Mr Frederick FUNG Kin-kee
(4 members)

Abstention:

Ms Audrey EU Yuet-mee
(1 member)

15. The Committee approved the item.

Item No.3 - FCR(2001-02)9

**GENERAL REVENUE ACCOUNT
HEAD 22 - AGRICULTURE, FISHERIES AND CONSERVATION
DEPARTMENT**

◆ **Subhead 700 General other non-recurrent**

New item "Compensation and ex-gratia payment to poultry operators affected by avian flu"

LOAN FUND

HEAD 262 - PRIMARY PRODUCTS

◆ **New Subhead "Loans to poultry wholesalers and retailers affected by avian flu"**

16. At the invitation of the Deputy Chairman, the Secretary for the Environment and Food (SEF) highlighted the following new developments following the meeting with the Panel on Food Safety and Environmental Hygiene on 21 May 2001 -

- (a) the Administration had decided to provide low-interest loans for affected poultry retailers and wholesalers;
- (b) subject to satisfactory completion of all the necessary work, poultry retail outlets could be re-opened in mid June; and
- (c) subject to funding approval by FC, the various forms of financial assistance could be disbursed by Tuesday, 29 May 2001.

17. Regarding members' concerns about the arrangements for providing assistance to affected poultry workers, SEF advised that as a matter of principle, the Administration considered that it was an employer's responsibility to meet his obligations to his workers and such obligations were already stipulated in the relevant labour legislation. She added that following the last avian flu incident in 1998, there were very few complaints from workers against their employers.

18. Mr Fred LI stated that in principle, Members of the Democratic Party (DP) did not have very strong view on the proposed compensation package. However, they were gravely concerned about the absence of any arrangements to ensure that workers employed by the affected poultry operators would be duly compensated for their loss of salaries during the cessation of business. As such, they would propose that the financial assistance be disbursed in two stages, i.e. two-thirds of the amount would be paid as originally scheduled while the remaining one-third would be paid about one month later subject to there being no complaint received from the operators' workers. Mr LI said that Members of DP would only support the present funding proposal if the Administration accepted their proposed arrangements for disbursement. Mr Martin LEE highlighted that Members of DP were not requesting for additional funding, but merely proposing a more reasonable payment method to safeguard the interest of workers.

19. In response, SEF pointed out that she had considered Mr LI's suggestion carefully. However, it would not be practicable to delineate the types of complaints which would justify withholding of payment and the circumstances under which the remaining amount could be released. There was also a need to guard against malicious complaints. Moreover, withholding a portion of the financial assistance to poultry operators might affect the latter's cashflow position and their ability to pay wages to workers. SEF also reiterated the Administration's position that it should not interfere with employer-employee relations including the payment of wages, which was the responsibility of employers. It would also not be appropriate for the Government to take over this responsibility by separately paying ex-gratia allowance (EGA) to workers. A more viable option would be for aggrieved workers to approach the Labour Department (LD) for assistance. A dedicated hotline for this purpose had been set up at LD.

20. On behalf of Members of the Hong Kong Confederation of Trade Unions, Mr LEE Cheuk-yan expressed grave concern about poultry workers' livelihood and considered that the Administration should withdraw the proposal and re-submit a revised one which provided for EGA to workers separately. In the absence of any mechanism to ensure workers were duly compensated, he would not support the present proposal. Mr LEE further commented that the Employment Ordinance only offered limited protection to workers as only workers with not less than two years' service would be entitled to severance payment upon being laid off. The majority of the workers involved in poultry operation were daily-rated workers who would not be entitled to any wages for any day on which no work was provided by their employer.

21. On the protection available to workers under the Employment Ordinance, the Chief Labour Officer, Labour Department (CLO, LD) advised that payment of wages and other statutory entitlements to workers was a responsibility of the employer and failure to do so was a criminal offence. As for daily-rated workers whose income would depend on the availability of work, CLO, LD confirmed that if such workers were not provided with work or paid the corresponding wages for half of the total number of normal working days in any period of four consecutive weeks,

they would be taken to be laid off and would be entitled to severance payment in accordance with the Ordinance. She nevertheless commented that the present proposal was to provide timely financial assistance to help affected persons tide over difficulties and stoppage of work was not expected to last for long.

22. Mr Tommy CHEUNG said that he was pleased to note that trading at retail outlets was expected to resume in mid June. However, the industry had asked him to vote against the package as proposed and he urged the Administration to provide a more generous package. He conveyed his and Mrs Selina CHOW's position, as well as the objection of poultry wholesalers and retailers to the proposal, especially in respect of the 2% interest rate for the loans, as follows -

- (a) The proposed rates of EGA, which were modeled on those approved by FC in 1998, were inadequate in meeting routine operating expenses. Even in the previous exercise, members of the industry were required to cover the unmet costs from their own sources. Given the present unfavourable business environment, the proposed EGA rates would impose hardship on the industry.
- (b) While the provision of low-interest loans was welcomed, the maximum loan amount and interest rate for repayment should be further relaxed, given that the prevailing prime rate was much lower than that in 1998.
- (c) Other forms of assistance such as extension of the rental waiver beyond the closure period at Government and Housing Authority markets should be considered.

23. In response, SEF advised that except for the maximum amount of low-interest loans, the proposed compensation/ex-gratia package was the same as that approved in 1998. It should be noted that since January 1998, there had been no fundamental change to the mode of operation of the poultry trade while there had been a deflation of 8.1%. The Administration considered the present proposal adequate as the closure period could be much shorter and wholesalers and retailers would not be required to replace or procure major items such as bird cages on this occasion. SEF added that the Director of Food and Environmental Hygiene and the Director of Agriculture, Fisheries and Conservation had met representatives of the poultry trade on 18 May 2001 and no objection had been raised to the proposed package.

24. Miss Emily LAU considered that the Government had dealt with the current avian flu incident in a prompt and decisive manner and she would not wish to see the exercise flawed by unsatisfactory arrangements for affected workers. Referring to the situation of some daily-rated poultry workers in her constituency and the letter from Mr LEE Kai-ming (tabled at the meeting and subsequently circulated vide FC106/00-01) depicting the hardship faced by workers during the last avian flu outbreak, Miss LAU urged the Administration to devise an equitable mechanism to ensure that both the poultry operators and their workers would receive their

financial assistance expeditiously. As payment of wages was one of the considerations underlying the proposed compensation/ex-gratia package, she did not see why the Administration could not make separate arrangements to ensure that workers would receive due compensation for their loss of salaries.

25. Miss CHAN Yuen-han concurred with the concerns expressed in Mr LEE Kai-ming's letter. She pointed out that the proposed level of compensation/ex-gratia payment was insufficient for poultry operators to pay their employees and the worst scenario would be for the workers to file a bankruptcy petition against their employer and claim ex-gratia payment from the Protection of Wages on Insolvency Fund. Miss CHAN urged the Administration to refer to the arrangements adopted in Macau whereby the amount due to be paid to employees was specified in the EGA payable to poultry operators.

26. Mr LEUNG Fu-wah considered that a mechanism should be devised to enable monthly-rated, daily-rated and casual workers of the trade to receive their wages according to their normal work pattern despite the disruption caused by the avian flu. He also expressed support for the arrangements proposed by Mr Fred LI on behalf of Members of DP.

27. Ms LI Fung-ying pointed out that a considerable number of workers in the poultry trade did not fulfil the requirement of "continuous employment" and were therefore outside the purview of the Employment Ordinance. As they had been out of work following the avian flu, she was concerned about their livelihood and the financial assistance available to them.

28. In response, SEF reiterated that the proposed compensation/ex-gratia package was aimed at providing timely assistance to affected persons in the trade. While she would not rule out the possibility of some workers being unable to receive their wages, feedbacks from the trade revealed that poultry operators and their workers enjoyed a close and cordial working relationship. Apart from the need to uphold the important principle of public finance management as explained earlier on, SEF cautioned that providing separate payment to employees would have serious implications on future payment of EGA for other purposes. Moreover, there was the practical difficulty of verifying the employee status of the workers concerned. As the situation in Macau and in Hong Kong was different, the approach adopted in one place might not necessarily be applicable in the other.

29. Members noted the information provided by Mr James TIEN that in the United Kingdom, a total of £711 million was paid as compensation following the outbreak of the Mad Cow Disease but there was no separate requirement to specify the portion which should be paid to workers.

30. In response to some members' enquiry about LD's role in verifying the employee status of workers, CLO, LD advised that in case of disputes, LD would conduct conciliation and help the parties to reach an agreement with reference to the law and trade practices. The ultimate decision on a worker's employee status or

otherwise would rest with the court. She further advised that a family member of the employer residing with him was not an employee for the purpose of the Employment Ordinance.

31. Mr Jasper TSANG Yok-sing shared some members' concern that existing labour legislation was inadequate in safeguarding the interests of affected poultry workers. He considered that providing financial assistance to poultry operators was already a form of intervention and the Government had simply passed the responsibility of apportioning the EGA for different uses to the employers. He pointed out that determining the employee status of workers was a technical matter which could be overcome. On the Administration's remarks that poultry operators were keen to receive financial assistance early, Mr TSANG said that according to some poultry operators, they would be prepared to accept financial assistance at a later date if the present proposal could be improved to include separate EGA for affected workers.

32. In reply, SEF commented that it was understandable that operators would have no objection if the Administration would provide separate EGA for workers as the operators would then be able to use the EGA paid to them for other operating expenses.

33. While expressing no objection to the present proposal, Miss Margaret NG stressed the need to put in place a mechanism to ensure that affected workers would be able to receive assistance under the package instead of relying solely on employers to determine any payment due to them. She urged the Administration to seriously consider the suggestion put up by Members of DP and the feasibility of attaching certain conditions to the disbursement of compensation/ex-gratia payment with a view to safeguarding the interests of workers. In reply, SEF confirmed that in disbursing EGA, the Administration normally would not attach conditions pertaining to how employers should pay their employees.

34. Mr Frederick FUNG Kin-kee opined that in adhering to its public finance management principle, the Administration should also take into account the well-being of the workers and the underlying objective of the proposed compensation/ex-gratia payment by introducing a mechanism to ensure that workers would also receive compensation, Dr YEUNG Sum echoed Mr FUNG's view and urged the Administration to give favourable consideration to the suggestion by Members of DP on payment in two stages. They both considered that disputes on employee status could be resolved with the assistance of LD. Upon Mr FUNG's request for the Administration to withdraw the paper, the Deputy Chairman advised that he would deal with this request after all members had spoken on the subject.

35. Mr WONG Yung-kan conveyed the wish of chicken farmers to receive compensation/ex-gratia payment early. He also pointed out that the level of financial assistance including the low-interest loans was insufficient for meeting operating expenses and workers' wages and urged the Administration to take effective measures to ensure that workers would receive their entitlements. He

nevertheless said that he would support the present proposal.

36. Mr Albert CHAN Wai-yip and Mr LEUNG Yiu-chung remarked that payment of EGA by stages was not unprecedented as in the case of Wah Kee Industrial Centre. Mr CHAN further pointed out that the arrangement proposed by Members of DP would in fact enable all affected parties to receive assistance, which was the primary objective of the present proposal. Mr Andrew WONG also questioned the consistency of the practice for other cases in which compensation/EGA was payable.

37. In reply, the Secretary for the Treasury (S for Tsy) clarified that in the case of Wah Kee Industrial Centre, the proprietor could present documentary proof on payment of wages as part of the evidence to support his claim for statutory compensation. If approved, the amount would be paid to the proprietor for onward disbursement to workers. Payment of EGA was based on the area of the premises and evidence of wage payment was not required. S for Tsy also recalled that on all occasions when EGA was payable, the Government had never designated the respective share for employers and employees. In the case of earlier amounts disbursed with regard to the fishing moratorium, only loans, not EGA, were payable to affected fishermen.

38. Mr LEUNG Yiu-chung shared some members' concerns about the hardship faced by affected workers given the current economic conditions and the difficulties for these workers to seek alternative employment. He also disagreed with the Administration's explanation about its principle and the practical difficulties in providing separate financial assistance to workers.

39. Mr James TIEN was concerned about the rationale underlying EGA as a form of financial assistance. He relayed the view of Members of the Liberal Party that any EGA payable by the Government should not seek to compensate operators in full for their losses sustained in incidents such as the avian flu. Professor NG Ching-fai shared Mr TIEN's concerns and further suggested that to provide a more objective standard, the amount of EGA payable should be based on business turnover.

40. In response, SEF advised that EGA was a discretionary payment to assist affected parties to tide over short-term cashflow problems and was not meant to meet all their financial needs. As such, there was no objective calculation on how much business loss should be covered by the EGA. The present proposal, for example, was modeled on the last package having regard to the mode of operation of the poultry trade. As a matter of principle, the Administration would not intervene into how the operators apportioned the EGA for different purposes.

41. Dr LO Wing-lok noted the divergent views expressed by members and the Administration and considered that as the use of public money was at stake, it would be worthwhile to listen to the views of the public who were not members of the trade. He therefore considered that the present proposal should be deferred.

42. Mr Martin LEE reiterated the stance of DP and requested the Administration to consider their proposal of payment in two stages.

43. Noting that all members had given their views on the subject, the Deputy Chairman asked the Administration if it was prepared to withdraw the paper. Miss Emily LAU also requested the Administration to confirm whether the re-submission would contain any new proposal if the present paper was withdrawn. She considered that if the Administration would re-submit the same proposal, it would be more desirable to vote on it at this meeting.

44. In response, the Deputy Secretary for the Treasury referred to a procedure of the FC whereby a Member may move without notice to adjourn discussion of an item. SEF said that the Administration would have no objection if members decided that the present proposal be deferred for discussion to another meeting. The Deputy Chairman also confirmed that if the proposal was deferred, a special meeting could be held on the following Friday for timely consideration of the item. S for Tsy asked the Deputy Chairman to consult members whether it was members' wish to defer the discussion of this item.

45. Dr YEUNG Sum commented that as the present proposal was put up by the Administration, in accordance with the relevant procedural rule, the Administration was in a position to decide to withdraw the paper instead of leaving the decision to members of FC. At this juncture, Dr LO Wing-lok sought to move a motion to adjourn discussion of the item.

46. In this connection, the Clerk advised that under the FC Procedure, the Administration could withdraw an item before it was put to the vote. Members could also move without notice that discussion on the item be adjourned. Where the Administration decided not to withdraw the item but members considered it necessary to defer decision on the item, any member could move without notice that discussion on the item be adjourned. Thereupon, the Chairman should put the question on the motion to adjourn and members could speak on the motion. If the motion was carried by a majority of the members present and voting, then, discussion on the item would be adjourned.

47. Noting the procedural provisions, Mr Frederick FUNG and Mr James TIEN sought the Administration's confirmation on whether it would withdraw the paper on its own accord. The Deputy Chairman noted that according to members' speaking order, Mr Frederick FUNG first asked whether the Administration would withdraw the paper but had been advised that his question would be dealt with after other members had spoken on the subject. Dr LO Wing-lok later sought to move a motion to adjourn discussion of the item when the Administration was being asked to respond to the request for the withdrawal of the proposal. He therefore took the view that the Administration should first respond to the question on the withdrawal of the proposal before proceeding with Dr LO's motion. S for Tsy requested and the Deputy Chairman agreed to adjourn the meeting for three minutes.

48. On resumption of the meeting, S for Tsy said that the Administration would withdraw the paper with a view to re-submitting a proposal for members' urgent consideration at a special meeting to be arranged.

49. The proposal was withdrawn by the Administration.

50. There being insufficient time, the Deputy Chairman directed that the remaining items on the agenda, namely FCR(2001-02)6, 7 and 8, be adjourned to the special meeting to be arranged.

(Post-meeting note: With the concurrence of Dr Philip WONG, FC Chairman, a special meeting of FC would be held on Friday, 1 June 2001 at 2:30 pm. With the exception of FCR(2001-02)8 which was adjourned to the meeting on 8 June 2001, FCR(2001-02)6 and 7 were adjourned to the special meeting on 1 June 2001.)

51. The Committee was adjourned at 4:45 pm.