

**立法會**  
**Legislative Council**

LC Paper No. FC142/00-01

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by the Administration and  
cleared with the Chairman)

Ref : CB1/F/1/2

**Finance Committee of the Legislative Council**

**Minutes of the 12th meeting**  
**held at the Legislative Council Chamber**  
**on Friday, 27 April 2001, at 2:30 pm**

**Members present:**

Dr Hon Philip WONG Yu-hong (Chairman)  
Hon NG Leung-sing (Deputy Chairman)  
Hon James TIEN Pei-chun, JP  
Hon David CHU Yu-lin  
Hon Cyd HO Sau-lan  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon Martin LEE Chu-ming, SC, JP  
Hon Eric LI Ka-cheung, JP  
Hon Fred LI Wah-ming, JP  
Dr Hon LUI Ming-wah, JP  
Hon Margaret NG  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon CHEUNG Man-kwong  
Hon HUI Cheung-ching  
Hon CHAN Kwok-keung  
Hon CHAN Yuen-han  
Hon Bernard CHAN  
Hon CHAN Kam-lam  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon LEUNG Yiu-chung  
Hon SIN Chung-kai  
Hon WONG Yung-kan  
Hon Howard YOUNG, JP  
Dr Hon YEUNG Sum  
Hon YEUNG Yiu-chung  
Hon LAU Chin-shek, JP

Hon LAU Kong-wah  
Hon LAU Wong-fat, GBS, JP  
Hon Mrs Miriam LAU Kin-yee, JP  
Hon Ambrose LAU Hon-chuen, JP  
Hon CHOY So-yuk  
Hon Andrew CHENG Kar-foo  
Hon SZETO Wah  
Hon Timothy FOK Tsun-ting, SBS, JP  
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 LAU Ping-cheung  
Hon Audrey EU Yuet-mee, SC, JP

**Members absent:**

Hon Kenneth TING Woo-shou, JP  
Hon LEE Cheuk-yan  
Dr Hon David LI Kwok-po, JP  
Prof Hon NG Ching-fai  
Hon James TO Kun-sun  
Hon Andrew WONG Wang-fat, JP  
Hon Jasper TSANG Yok-sing, JP  
Hon Emily LAU Wai-hing, JP

**Public officers attending:**

Miss Denise YUE, JP  
Mr Stanley YING, JP  
Ms Doris CHEUNG  
Mr Peter LUK  
Mr H C FAN

Secretary for the Treasury  
Deputy Secretary for the Treasury  
Principal Assistant Secretary for Transport  
Assistant Commissioner for Transport  
Project Manager of Electrical and Mechanical  
Services Department

Mr Stephen FISHER, JP	Deputy Secretary for Planning and Land
Mr Geoffrey WOODHEAD	Principal Assistant Secretary for Planning and Lands
Mr CHEUNG Hau-wai, JP	Deputy Director of Buildings
Mr Philip LAU	Assistant Director of Buildings
Mr LEE Chee-chung	Chief Fire Officer of Fire Services 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
Mrs Eleanor CHOW	Senior Assistant Secretary (1)4

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

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 28 FEBRUARY 2001 AND 4 APRIL 2001**

The Committee approved the proposal.

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

**CAPITAL WORKS RESERVE FUND**

**HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT**

**Transport Department**

- **New Subhead “Replacement of high voltage switchboards, transformers and low voltage system of the tunnel power supply system in Lion Rock Tunnel”**
- **New Subhead “Replacement of field equipment of toll collection system in Cross-Harbour Tunnel”**
- **New Subhead “Replacement of ventilation control panels, exhaust fans, motors and flexible connectors in Aberdeen Tunnel”**

2. Members noted that the present proposal was discussed by the Transport Panel on 30 March 2001.

3. Mr LAU Kong-wah noted that the proposal to replace the traffic control and surveillance system of Lion Rock Tunnel (LRT) originally included in the paper submitted to the Transport Panel was removed from the present proposal as a result of

Members' queries at the Transport Panel meeting. He was aware that the Administration needed more time to address the concerns raised by Members, but as the said system was also badly needed at LRT, he enquired about the Administration's timetable for the submission of the funding proposal. In response, the Assistant Commissioner for Transport (AC for T) advised that the Administration would consult Sha Tin District Council on the proposal on 8 May 2001 with a view to reverting to the Transport Panel in late May and putting up the funding proposal to the Finance Committee (FC) in June 2001.

4. Pending completion of the proposed replacement project at LRT, Mr LAU Kong-wah was concerned about existing hazards such as exposed electrical wirings which he considered unacceptable. He urged the Administration to implement suitable measures to prevent the occurrence of accidents in the interim period. In response, the Project Manager of Electrical and Mechanical Services Department (PM, EMSD) said that the exposure of electrical wirings was incidental to an ongoing project to replace the tunnel luminaries, and was therefore temporary. He assured members that the works were monitored closely on-site by inspectors and the Administration would see to it that all practicable steps would be taken to ensure safety.

5. Mr Andrew CHENG shared Mr LAU Kong-wah's concerns. Referring to the urgent need for the replacement works for the tunnel power supply system in LRT as covered in the present proposal and noting that the replacement works for the Aberdeen Tunnel would be completed by March 2004, Mr CHENG queried why the project for LRT could only be completed in March 2005 and urged the Administration to expedite its implementation.

6. In response, PM, EMSD explained that carrying out civil works in LRT was a highly demanding task because the tunnel was in operation. One major difficulty was the need to build two new switch rooms, one at each end of the tunnel. During the construction period, some temporary arrangements had to be made to ensure the continuous supply of electricity for the tunnel. On the hours available each day for carrying out works, AC for T advised that since the tunnel was open for traffic round the clock, works could only be carried out each day from about 1 am to 5 am when the tunnel was subject to one-tube-two-way operation.

7. Mr Andrew CHENG reiterated his concern about early completion of the project and urged that every effort should be made to expedite the works, including the possibility of closing the tunnel tube for longer hours. AC for T and PM, EMSD noted his views and undertook to take all practicable steps to expedite the project.

8. The Committee approved the proposal.

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

**LOAN FUND**

**HEAD 268 - FIRE SAFETY**

- **Subhead 101 Fire Safety Improvement Loan Scheme**

**HEAD 269 - BUILDING SAFETY**

- **Subhead 101 Building Safety Improvement Loan Scheme**

9. Members noted that the present proposal was discussed at the Panel on Planning, Lands and Works on 21 November and 4 December 2000.

10. On behalf of Members of the Democratic Party, Dr YEUNG Sum stated that in principle, they were in support of the present proposal. However, they considered that hardship would be faced by a number of inhabitants residing in old buildings in districts such as the Central and Western Districts which had been used for domestic purposes since the 1970s. As most of these residents were elderly persons without any income, Dr YEUNG enquired about the measures under the Comprehensive Building Safety Improvement Loan Scheme (the Comprehensive Loan Scheme) to assist them to comply with the necessary building and fire safety obligations.

11. In response, the Chief Fire Officer of Fire Services Department (CFO, FSD) advised that in enforcing compliance, the two departments could exercise discretion to take into consideration the circumstances and all relevant factors of individual cases, including any practical difficulties in compliance. They would also take appropriate measures, such as extending the period for rectification, exempting the owners/occupiers from complying with all requirements under Schedules 5 and 6 of the Fire Safety (Commercial Premises) Ordinance.

12. In response to Mr IP Kwok-him's enquiry on the scope of the Comprehensive Loan Scheme, the Deputy Director of Buildings (DDB) advised that the expanded Scheme would not cover decoration works of the interior of flats, which was the responsibility of owners. However, it covered all the essential improvement works in relation to the structural aspects of buildings, safety of external elevations of buildings, fire safety of buildings, etc. The scope of works was detailed in Enclosure 1 to FCR(20001-02)3.

13. On the amount of loan, DDB said that owners employing qualified building professionals for works within the scope of the Comprehensive Loan Scheme would be eligible for loans at 100% of the total maintenance costs, subject to a ceiling of \$1 million per unit of accommodation for building-cum-fire safety improvement works (inclusive of lift and minor maintenance works).

14. On the assistance to help owners repay the loan principal, the Deputy Secretary for Planning and Lands (DS(PL)) said that for those who were in financial hardship, a number of measures would be made available at the discretion of the Director of Buildings (DB) on the advice of the Advisory Committee consisting of government

officials from the relevant bureaux and departments and non-official members appointed from the relevant industries and community organizations. These measures included-

- (a) the loan repayment period might be extended;
- (b) an interest-free loan might be granted; and
- (c) repayment might be deferred until the transfer of title of the property.

15. On the question of interest rate, DDB explained that the interest rate for loans under the Comprehensive Loan Scheme would be set on the "no gain, no-loss" basis, which was currently pitched at the average best lending rate quoted by the three note-issuing banks minus two percentage points and under which applicants were not subject to means test. However, DB might, on the advice of the Advisory Committee, grant interest-free loans to needy applicants based on an assessment of the income and assets of the applicants.

16. In response to Mr IP Kwok-him's concern on eligibility criteria, the Assistant Director of Buildings (ADB) clarified that the Comprehensive Loan Scheme was only offered to individual owners of private buildings on a need basis and not to owners corporations or contractors employed by owners to carry out building safety improvement works. DB would require borrowers to provide suitable security for the loan. For the amount of loan exceeding \$100,000, securities provided would take the form of a legal charge registered against the property or a bank guarantee. For loans below \$100,000, a guarantor would suffice.

17. Mr Henry WU expressed concern that loans relating to the replacement of the entire lift could be substantial and owners might have difficulty in securing bank guarantee or a guarantor. In response, DDB said that where the loan was related to the replacement of a lift, advice would be sought from the Director of Electrical and Mechanical Services as to whether the entire lift or the major components of the lift should be replaced. If the former was the case and owners failed to secure any bank guarantee because of the huge amount involved, a legal charge might be registered against the property in the Land Registry to serve as security to the DB.

18. DS(PL) supplemented that according to past experience, it had not been too difficult for owners to secure bank guarantee or a guarantor for loans of this kind. For an owner who was in financial hardship, such as a recipient of Comprehensive Social Security Assistance, a recipient of Normal Old Age allowance, or a low income earner, he could apply for exemption of the security requirement for the loan. DB might waive the requirement after considering the circumstances of individual cases. DS(PL) further said that after the implementation of the Comprehensive Loan Scheme, the Advisory Committee would review its operation and consider whether it was necessary to further relax the eligibility criteria and other related arrangements.

19. Addressing members' concerns that some owners might refuse to contribute their share of maintenance costs, DDB advised that presently, in the case of a building targeted under the Co-ordinated Maintenance of Buildings Scheme, a designated officer would conduct, in association with other departments concerned, a survey of the building and determine the scope and nature of improvement works. This officer would provide technical advice to owners, urge for their collaborated effort to maintain the building in a safe condition and assist them in the application for Comprehensive Loan Scheme where necessary. As for other buildings, the Administration was considering amending the Building Management Ordinance so that owners corporations would be authorized to apply for the loan on behalf of the owners concerned. DDB added that the relevant legislative proposal would be introduced at the end of 2001. In certain cases where a building with serious management and maintenance problems could not form an owners corporation and where owners were not eligible for the loan, BD would take up the arrangements for maintenance works and recover full costs from the owners afterwards.

20. On the cost for building maintenance works, DDB explained that it broadly consisted of two parts, namely, the maintenance costs of individual flats and of common parts and facilities of the building. The maintenance costs were to be shared by owners of buildings in accordance with owner's shares as specified in the deeds of mutual covenant. The Comprehensive Loan Scheme would cover not only the maintenance works of buildings, but also the services provided by building professionals in association with the maintenance works.

21. Pointing out that it might be necessary to take out legal action against certain owners who refused to share the building maintenance costs or to remove unauthorized building structure, Ms Audrey EU expressed concern that maintenance works could not be proceeded with if financial assistance for the legal action was not available. In reply, DDB confirmed that the scope of works covered by the Comprehensive Loan Scheme did not include the costs for litigation. While the Administration was prepared to listen to members' views on this issue, he pointed out that legal expenses varied considerably from case to case and it was difficult to estimate the litigation costs involved for the purpose of providing financial assistance.

22. Mr IP Kwok-him asked about the measures to ensure that borrowers would use the loan for the intended purposes, i.e., improvements works on buildings. In response, ADB and the DDB explained that in support of their applications, borrowers would have to provide details of quotations/tenders of the required works from building professionals such as registered or competent contractors, qualified geotechnical engineers, and/or authorized persons registered under the relevant Ordinances. DB would release loans by stages according to the works schedule and the actual progress of the works. The borrowers would be required to submit progress reports certified by the building professionals. Random inspections would be conducted to ensure that the required works were carried out according to schedule and that the loans were used for the intended purposes before BD would release payment to the building professionals.

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23. Given that the loan was borrowed by individual owners, Mr IP Kwok-him sought clarification on how payment would be released to the building professionals in stages. While he was in support of the present proposal, he considered that members should be provided with more detailed information on the implementation of the Comprehensive Loan Scheme. In response to the Chairman, the Administration agreed to provide more information, including the payment method, and submit the paper to the Panel on Planning, Lands and Works for further consideration.

24. Pointing out that the merger of the Fire Safety Improvement Loan Scheme (FSILS) and the Building Safety Improvement Loan Scheme (BSILS) into the Comprehensive Loan Scheme should result in manpower saving, Mrs Selina CHOW queried why two additional posts should be created.

25. DS(PL) pointed out that given the expanded scope of works covered by the Comprehensive Loan Scheme, applications for loans were expected to soar and more manpower would be required to process such applications. DDB supplemented that the number of applications was expected to increase from the present 462 under the BSILS and FSILS to 5 000 after the Scheme was introduced. In addition, loans would be offered to owners of some 1 000 target buildings to help them to carry out the required repair works or remove unauthorized building works on the external walls of their buildings.

26. The Committee approved the item.

27. The meeting was adjourned at 3:40 pm.