

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 17th meeting
held at the Legislative Council Chamber
on Friday, 29 June 2001, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing (Deputy Chairman)
Hon Kenneth TING Woo-shou, 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 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 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 WONG Yung-kan
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung
Hon LAU Chin-shek, JP
Hon Mrs Miriam LAU Kin-ye, JP
Hon Ambrose LAU Hon-chuen, JP

Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
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
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Hon James TIEN Pei-chun, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, JP
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon Jasper TSANG Yok-sing, JP
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Andrew CHENG Kar-foo
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee

Public officers attending:

Miss Denise YUE, JP	Secretary for the Treasury
Mr Stanley YING, JP	Deputy Secretary for the Treasury
Ms Esther LEUNG	Principal Assistant Secretary for the Treasury
Mr LUK Nai-man, JP	Deputy Commissioner of Inland Revenue
Mr CHAU Ho-man	Chief Assessor of Inland Revenue Department
Mr LEUNG Kam-hang, Richard	Chief Systems Manager of Inland Revenue Department

Ms Doris CHEUNG	Principal Assistant Secretary for Transport
Mrs Mary MA	Assistant Commissioner for Transport
Mr Joseph YU	Chief Systems Manager of Transport Department
Mr W S CHAN, JP	Deputy Secretary for Works
Mr Gordon CHO	Chief Assistant Secretary for Works
Mrs Jennie CHOK,	Deputy Secretary for Security
Mr KWOK Jing-keung, JP	Chief Fire Officer
Mr CHUN Ping-fai	Assistant Director of Marine
Mr Stanley LUK	Senior Maintenance Manager of Marine 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 Eleanor CHOW	Senior Assistant Secretary (1)4

Item No. 1 - FCR(2001-02)23

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 6 JUNE 2001**

The Committee approved the proposal.

Item No. 2 - FCR(2001-02)20

**CAPITAL WORKS RESERVE FUND
HEAD 710 - COMPUTERISATION**

Inland Revenue Department

**• New Subhead “Implementation of the Document Management System Phase I
Project in the Inland Revenue Department”**

2. Members noted that the Panel on Financial Affairs was consulted on the second Information System Strategy (ISS) Plan of the Inland Revenue Department (IRD) which included the Document Management System (DMS) on 15 June 2000. Deliberation on DMS Phase I Project was deferred from the last Finance Committee meeting held on 22 June 2001 owing to insufficient time.

3. Mr CHAN Kwok-keung enquired about the reason for implementing the DMS in two phases. He expressed concern that the DMS Phase I would become outdated upon the introduction of Phase II in 2005-06 and that additional funding might then be required for upgrading the system. He also enquired about the amount of provision required for Phase II.

4. The Deputy Commissioner of Inland Revenue (DC of IR) explained that it was necessary to implement the DMS in two phases because the system development for Phase II was more complex. While Phase I, which involved the conversion of paper returns into digitized images, provided a depository for images which could be retrieved electronically, Phase II, which involved imaging of correspondence, had to complement the Workflow Management System through which the images were distributed to various workstations for processing. The required provision for Phase II of DMS was about \$10 million.

5. Mr NG Leung-sing sought further information on the savings in time and manpower achieved as a result of implementing the DMS. DC of IR advised that with over three million tax returns and nine million related documents being handled by IRD each year, the savings in time and manpower would be substantial. It was estimated that the time required to locate and retrieve a document would be shortened by three minutes. Given an average of 1.5 million requests per annum, it was estimated that IRD's establishment could be reduced by a total of 45 staff by the end of 2003-04.

6. In further response to Mr NG Leung-sing, DC of IR said that the IRD Enquiry Service Centre was at present manned by some 20 staff responsible for answering telephone enquiries and some 40 staff for answering counter enquiries.

7. The Committee approved the proposal.

Item 3 - FCR(2001-02)21

CAPITAL WORKS RESERVE FUND

HEAD 710 - COMPUTERISATION

Transport Department

- **New Subhead "Replacement of the Vehicles and Drivers Licensing Integrated Data (VALID) III System"**

HEAD 186 - TRANSPORT DEPARTMENT

- **Subhead 000 Operational expenses**

8. Members noted that the Panel on Transport had noted the proposal at its meeting on 25 May 2001 and that the item was deferred from the last Finance Committee meeting on 22 June 2001.

9. In reply to Mr CHAN Kwok-keung's question on the life expectancy of the new Vehicles and Drivers Licensing Integrated Data (VALID) IV System, the Chief

Systems Manager of Transport Department estimated that it could last over 10 years. He explained that the architecture of the new system was open and flexible. It would enable the system to adapt to new requirements and develop new applications over time. As regards manpower saving, the Assistant Commissioner for Transport estimated that a total of 32 posts involved in the licensing process could be deleted after the implementation of the proposed system in 2004-05. She assured members that there would not be any compulsory redundancy as the surplus staff could be absorbed through voluntary retirement, recruitment freeze and redeployment to other departments between now and 2004-05.

10. The Committee approved the proposal.

Item 4 - FCR(2001-02)24

**HEAD 56 - GOVERNMENT SECRETARIAT :
PLANNING AND LANDS BUREAU AND WORKS BUREAU
• Subhead 106 Temporary Staff**

11. The Committee approved the proposal.

Item No. 5 - FCR (2001-02) 25

**HEAD 45 - FIRE SERVICES DEPARTMENT
• Subhead 603 Plant, vehicles and equipment**

12. Members noted that the present proposal was discussed at the meeting of the Panel on Security on 7 June 2001.

13. Mr CHAN Kam-lam expressed concern about the inadequacy of the routine annual overhaul of Fireboat 6. In response, the Senior Maintenance Manager of Marine Department (SMM, MD) advised that under the existing policy, the estimated life expectancy of a steel-hulled vessel in the Government fleet was about 20 years after which it would be beyond economic repair. As Fireboat 6 had been in service for over 20 years and was reaching the end of its economic serviceable life, the Administration had planned to acquire a replacement fireboat which was considered more cost-effective. In order to save maintenance costs, MD had only carried out minimal repair works to Fireboat 6 to keep it operational in the interim.

14. In reply to the Chairman, SMM, MD confirmed that as far as Fireboat 6 was concerned, its maintenance costs would be higher than those for acquiring a replacement vessel.

15. Mr CHAN Kam-lam considered the present arrangements unacceptable. He pointed out that with reasonably good care, the vessel, despite its age, should not be in such a poor condition as described in the paper. Besides, Fireboat 6, a steel-hulled

vessel, should be able to serve more than 20 years. It might have been due to the policy on limiting vessels to 20 years' serviceable life that the responsible department had slackened its routine maintenance efforts. He commented that the Administration might have exaggerated the seriousness of the problem in order to secure funding to replace the vessel.

16. In response, the Assistant Director of Marine (AD of M) said that Fireboat 6 had been designed to serve a 20-year lifespan beyond which its operational readiness and efficiency would not be able to meet current needs. The Chief Fire Officer (CFO) pointed out that apart from cost consideration, the existing Fireboat 6 could no longer support present day operational requirements. For illustration, he referred to the need for more powerful fire pumps to cater for fire-fighting operations on board large ocean going vessels. CFO also highlighted the additional functions of Fireboat 6 as an on-site command post and a casualty collecting point during major maritime incidents.

17. Mr CHAN Kam-lam did not fully subscribe to the Administration's explanation and questioned the functions of Fireboat 6 and the replacement vessel's need for larger fuel and oil tanks to sustain operation for not less than 96 hours. In response, CFO explained that being one of the existing two major fireboats, Fireboat 6 would also be deployed to serve the entire waters of Hong Kong when Fireboat AG, the other existing major fireboat, was not in operation. As the replacement fireboat would be required to tackle incidents which took place at 50 sea miles away from Hong Kong waters, its tanks had to be upgraded to support its ocean going capability.

18. Mr WONG Yung-kan commented that steel-hulled vessels should have a serviceable lifespan of more than 20 years and enquired about the life expectancy of the replacement fireboat. AD of M responded that given the rapid developments in technologies, 20 years of serviceable life was a reasonable yardstick in designing the type of vessel in question. An aged vessel would not be able to meet changing operational requirements even though it might still remain in service.

19. On vessel speed, AD of M advised that the speed of Fireboat 6 was 12 knots per hour while that of the replacement fireboat would be 15 knots per hour. The latter would also require higher vessel power for its enhanced fire-fighting equipment. The existing Fireboat 6 had two engines of 705 kilowatts each while the replacement fireboat would have two engines of 1 772 kilowatts each.

20. Mr LAU Ping-cheung asked whether the estimated downtime and maintenance costs for Fireboat 6 had been assessed by independent professionals or by MD. In reply, AD of M confirmed that the estimates had been made by MD having regard to past experience. Nevertheless, he said that MD would consider Mr LAU's suggestion of setting up an independent mechanism for evaluation of vessels' serviceability.

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21. As to how the existing Fireboat 6 would be disposed of after replacement, AD of M advised that if replaced, the existing vessel would be sold by auction in

accordance with established procedures.

22. On the tendering exercise for construction and delivery of the replacement fireboat, AD of M advised that tender would be invited worldwide in accordance with the relevant provisions in the World Trade Organization Agreement on Government Procurement. In the light of past experience, AD of M said that on many occasions, the contract had been awarded to local shipyards.

23. The Committee approved the proposal.

24. The Committee was adjourned at 3:05 pm.

Legislative Council Secretariat
September 2001