

**立法會**  
**Legislative Council**

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**Finance Committee of the Legislative Council**

**Minutes of the 14th meeting  
held at the Legislative Council Chamber  
on Friday, 21 June 2002, at 2:30 pm**

**Members present:**

Dr Hon Philip WONG Yu-hong (Chairman)  
Hon NG Leung-sing, JP (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon James TIEN Pei-chun, GBS, JP  
Dr Hon David CHU Yu-lin, JP  
Hon Cyd HO Sau-lan  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon LEE Cheuk-yan  
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 James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon HUI Cheung-ching, JP  
Hon CHAN Kwok-keung  
Hon CHAN Yuen-han, JP  
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 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, BBS  
Hon LAU Chin-shek, JP  
Hon LAU Kong-wah  
Hon LAU Wong-fat, GBS, JP  
Hon Miriam LAU Kin-yee, JP  
Hon Ambrose LAU Hon-chuen, GBS, JP  
Hon Emily LAU Wai-hing, 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 IP Kwok-him, JP  
Hon LAU Ping-cheung  
Hon Audrey EU Yuet-mee, SC, JP  
Hon MA Fung-kwok, JP

**Members absent:**

Hon Albert HO Chun-yan  
Dr Hon David LI Kwok-po, GBS, JP  
Hon Frederick FUNG Kin-kee

**Public officers attending:**

Miss Denise YUE, GBS, JP	Secretary for the Treasury
Mr Stanley YING, JP	Deputy Secretary for the Treasury
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Michael WONG	Deputy Secretary for Security
Mr Alan CHU	Principal Assistant Secretary for Security (D)
Mr C S WAI	Principal Assistant Secretary for Works

Mr C L AU	Acting Assistant Director of Immigration (Administration and Planning)
Mr K C CHOW	Assistant Director of Immigration (Enforcement and Liaison)
Mr S H PAU, SBS, JP	Director of Architectural Services
Mrs Carrie LAM, JP	Director of Social Welfare
Miss Ophelia CHAN	Assistant Director of Social Welfare
Mr Stephen PANG	Commissioner for Rehabilitation
Miss CHEUNG Siu-hing, JP	Deputy Secretary for Planning and Lands
Ms Olivia NIP	Principal Assistant Secretary for Planning and Lands
Mrs Jenny CHAN	Assistant Commissioner for Labour
Mr LAI Ka-tong	Senior Labour Officer of Labour Department
Mr Clement LEUNG	Principal Assistant Secretary for Education and Manpower
Mr Lawrence KWAN	Project Co-ordinator of Education and Manpower Bureau
Mrs Margaret CHAN	Principal Assistant Secretary for Security (A)
Mr POON Yeung-kwong	Assistant Commissioner of Customs and Excise
Mr TONG Ching-kit, Stephen	Senior Staff Officer of Customs and Excise Department
Mr FAN Ho-chuen	Project Manager of Electrical and Mechanical Services Department
Ms Eva CHENG, JP	Deputy Secretary for Information Technology and Broadcasting
Mr Albert LI	Project Director of Office of the Telecommunications Authority

**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
Miss Yvonne YU	Senior Assistant Secretary (1)4

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**Item No. 1 - FCR(2002-03)22**

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 22 MAY 2002 AND 5 JUNE 2002**

At members' request to consider and vote on PWSC (2002-2003)39 separately, the Chairman put FCR(2002-03)22, except PWSC(2002-03)39, to the vote. The Committee approved the proposal.

**Head 703 - Buildings**

**Support - Immigration control**

**PWSC(2002-03)39      6GD      Immigration Service Training School and  
Perowne Immigration Centre at Castle  
Peak Road, Tuen Tun - stage 2**

2. Ms Emily LAU noted that stage 2 of the project would generate about 7 600 cubic metres (m<sup>3</sup>) of construction and demolition (C&D) materials, of which 500 m<sup>3</sup> (6.6%) would be reused on site, 4 500 m<sup>3</sup> (59.2%) sent to public filling areas and 2 600 m<sup>3</sup> (34.2%) disposed of at landfills. As the percentage of C&D materials to be disposed of at landfills was relatively high, she asked whether this could be reduced and how the Administration would ensure that the actual amount of C&D waste to be disposed of at landfills would not exceed the estimated level.

3. In response, the Director of Architectural Services (DArchS) confirmed that the types of materials to be generated from the demolition works had been ascertained prior to drawing up the estimated amount of different types of C&D materials as set out in the note issued to the Public Works Subcommittee (PWSC) under reference PWSC I (2002-03)16 on 20 June 2002 vide LC Paper No. PWSC141/01-02. He said that the Architectural Services Department (Arch SD) had designed the ground floor levels in such a way that the use of suitable excavated materials for filling within the site would be optimized to minimize off-site disposal. To further minimize the generation of C&D materials, Arch SD would encourage the contractors to use non-timber formwork and recycled materials for temporary works. In addition, under the contracts, the contractors would not be permitted to use hardwood for site accommodation, storage sheds, screens, hoardings, covered walkways, signboards and excavation supports, and would be required to use metal site hoardings and signboards so that these materials could be recycled or reused in other projects. Arch SD would also require the contractors to submit a waste management plan setting out mitigation measures to avoid, reduce, reuse and recycle C&D materials. Arch SD would ensure that the day-to-day operations on site would comply with the approved waste management plan.

4. The Principal Assistant Secretary for Works (PAS(W)) agreed that the Administration should monitor the actual amount of C&D materials to be disposed at landfills against the estimated quantities. He further advised that in order to further enhance the current system for management of C&D materials, the Works Bureau would issue a new Technical Circular in July 2002 to require works departments to draw up C&D Material Management Plan at an early stage of a project in order to incorporate design measures to minimize generation of C&D materials, and to optimize the reuse/recycling of the materials generated.

5. In response to Ms Emily LAU's request for a breakdown of the 2,600m<sup>3</sup> of C & D materials to be disposed of at landfills, DArchS advised that these included construction wastes such as timber, bamboo and plastics, food remains and other wastes caused by on-site activities. As most of these materials were mixed and contaminated, they were not suitable for recycling and would therefore be disposed of at landfills.

6. Regarding Ms Emily LAU's request for information on the estimated amount of C&D waste to be disposed of at landfills as presented in the paper to PWSC vis a vis the actual quantity of C&D waste generated from completed projects, PAS(W) advised that since September 2000, the Administration had taken steps to reduce the generation of C&D materials from public works projects and guidelines had been issued for vetting information on the management of C&D materials. However, since the 80 or so public works projects implemented since September 2000 had not been completed, the Administration could only provide an interim report to Finance Committee (FC) at this stage.

*(Post-meeting note: An interim report on C&D waste generated by public works projects provided by the Environment, Transport and Works Bureau on 1 August 2002 had been issued to FC members vide LC Paper No. FC117/01-02 on 2 August 2002.)*

7. Regarding the proposed Immigration Service Training Centre (ISTS), Mr James TO stated his view that while the provision of a swimming pool might be necessary for training purposes and for improving the physical fitness of staff, the necessity of providing a self-contained training school with a number of supporting facilities such as swimming pool was doubtful. He was worried that the provision of in-service training was just for the sake of making up a higher utilization rate for the ISTS and related facilities. He considered that if training schools for the Independent Commission Against Corruption and the Customs and Excise Department were to be constructed in future, the Administration should maximize the use of the training facilities, particularly if these two training schools would be located within each other's vicinity.

8. The Committee approved the item.

**Item No. 2 - FCR(2002-03)23****LOTTERIES FUND  
HEAD 341 - NON-RECURRENT GRANTS**

9. Members noted that the Welfare Services Panel had been consulted on the present proposal on 10 June 2002.

10. Dr YEUNG Sum said that Members of the Democratic Party (DP) supported the present proposal for converting and fitting out the soon to be vacated premises of Fanling Hospital into a new facility providing rehabilitation services for people with disabilities. Given that the Fanling Hospital was not originally designed to provide day and residential facilities for people with disabilities, he was concerned about the difficulties in conversion works. He also enquired on how far the proposed project would improve rehabilitation services in the district.

11. In response, the Director of Social Welfare (DSW) advised that Fanling Hospital, with low-rise buildings in good conditions and located in a relatively quiet environment, was considered very suitable for the provision of rehabilitation services. As Fanling Hospital used to be a hospital for in-patient care services, the Administration did not consider that there would be difficulty in converting the premises into a day and residential rehabilitation facility for people with disabilities. To address the needs of parents of children with disabilities living in the northern part of the New Territories, the conversion, when completed, would provide day and residential services to these children in the same district, thus obviating the need for cross-district travels. Although the new rehabilitation facility could not cater for all people with disabilities on the waiting list, it would be a helpful boost to the provision of rehabilitation services to people with disabilities living in the northern part of the New Territories.

12. In reply to Ms Emily LAU's enquiry about the operation of the proposed rehabilitation facility targeted to commence service in 2003-04, DSW advised that under the revised framework for allocating new social welfare service units, the operation of this new rehabilitation facility would be allocated through a competitive quality-based system under which non-governmental organizations (NGOs) would be invited to submit proposals. In the selection process, the Social Welfare Department would look for innovation in service mode and value-added services for users and the community. In addition, the service users such as parents' associations of children with disabilities would also be invited to participate in the selection. The NGO which could provide the best services with the highest score would be selected. Regarding the fees which service users had to pay, DSW advised that they would be similar to those for other rehabilitation facilities. For example, the monthly fee for the care and attention home services for the severely disabled persons would range from

\$1,600 to \$1,800 depending on the extent of disability.

13. Ms Emily LAU asked whether “price” would be a factor for consideration when evaluating the proposals submitted by NGOs under the said revised framework. In response, DSW recapped that when the Administration implemented the new arrangements of outsourcing social welfare units, there was widespread concern, especially from the social welfare sector, that a competitive price-based system would jeopardize service quality. It was therefore necessary for the Administration to adopt a careful and progressive approach in delineating the types of services to be outsourced and the criteria to be used. DSW further pointed out that at present, a private market for the provision of rehabilitation services did not really exist and there were only a limited number of private rehabilitation service providers. As such, the Administration had come to the view that operation of this proposed rehabilitation facility would not be allocated through a competitive price-based system.

14. In response to Ms Emily LAU’s concern about the shortfall in the existing provision of various rehabilitation services to meet the demand, DSW explained that it might not be possible to satisfy the demand in full in one go. Nevertheless, it should be noted that not all the clients on the waiting list were in need of immediate service. Some of the clients on the waiting list were receiving service such as day-time or home-based care service. Other measures to improve services to people with disabilities included an increase in the number of existing home-based training teams from 5 to 18.

15. The Committee approved the proposal.

### **Item No. 3 - FCR(2002-03)24**

#### **CAPITAL INVESTMENT FUND NEW HEAD "URBAN RENEWAL AUTHORITY"**

16. Members noted that the present proposal had been discussed by the Panel on Planning, Lands and Works on 31 May 2002.

17. The following members declared interest as members of the Board of the Urban Renewal Authority (URA):

Mr CHAN Kam-lam;  
Mr Ambrose LAU;  
Mr LAU Ping-cheung; and  
Mr Fred LI

The Chairman advised that the four members could vote on the present proposal as they did not have any pecuniary interest in the proposal. Ir Dr Raymond HO declared that his firm might bid for future projects in the urban renewal programme. The Chairman considered that he could vote on the present proposal.

18. Mr CHAN Kam-lam expressed support for the present proposal on behalf of Members of Democratic Alliance for the Betterment of Hong Kong (DAB). Mr Ambrose LAU said that Members of the Hong Kong Progressive Alliance supported the present proposal.

19. Dr YEUNG Sum stated that Members of the Democratic Party welcomed the proposed injection of \$10 billion into the URA for implementing the urban renewal programme. He enquired about the implementation timetable of the 25 uncompleted projects of the Land Development Corporation (LDC) which had been included in the first five-year corporate plan (CP) of the URA, as well as the arrangements for rehousing affected tenants in the same district.

20. Regarding the 25 uncompleted LDC projects, the Deputy Secretary for Planning and Lands (DS(PL)) advised that three of these projects would be implemented as "early launch" projects. URA would announce the timetable for the remaining 22 projects when it was ready to take them forward. Where required by the Urban Renewal Authority Ordinance (URAO), the relevant town planning procedures would be initiated, including gazettal of the projects and the processing of objections. Hence, a mechanism was in place whereby affected residents would have the opportunity to be informed and to raise their views/objections. DS(PL) further pointed out that as the five-year CP was a rolling programme, a certain degree of flexibility should be allowed for making appropriate adjustments over time. Hence, it would not be appropriate to promulgate a timetable for all the projects at the present stage.

21. Miss CHAN Yuen-han expressed support for the present proposal. She shared Dr YEUNG Sum's concern about the 25 uncompleted LDC projects and urged the Administration to accord them priority. In response, DS(PL) assured members that the Administration would urge URA to take forward these projects as early as possible. She also informed members that with the exception of two projects, planning procedures had already been completed in respect of all the projects. The URA could therefore proceed to the acquisition stage once a decision was made to implement these 23 projects.

22. Regarding rehousing arrangements, DS(PL) advised that pursuant to the agreement reached by URA with the Hong Kong Housing Authority (HKHA) and the Housing Society, the two organizations would each provide up to 1 000 public rental housing units each year for rehousing tenants affected by the

urban renewal programme during the five-year period of the CP. On the other hand, it was forecast that on average, less than 1 000 rehousing units each year would be required during this period. As such, DS(PL) considered that there should be sufficient public housing units to cater for rehousing needs. However, whether affected tenants could be rehoused in the same district would depend very much on the number of vacant units available in the districts concerned.

23. While expressing support for the present proposal, Mr Albert CHAN was concerned about the lack of sufficient financial information in the paper as compared with past submissions relating to the Airport Core Project which contained detailed information on the financial aspects. To enhance transparency and facilitate monitoring by members, Mr CHAN suggested that the Administration should consult the relevant Panel prior to each injection of equity into the URA. While appreciating the need to observe commercial confidentiality, he requested the Administration/URA to reveal as much information as possible on the future financial arrangements of the five-year programme.

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24. In response, DS(PL) pointed out that subject to funding approval, the Administration had proposed to inject capital into the URA in phases over the five financial years from 2002-03 to 2006-07 but the exact timetable for equity injection would be subject to URA's actual needs. DS(PL) agreed to provide the relevant Panel with periodic reports but pointed out that the Administration should not be required to seek the Panel's consent before each equity injection. Mr Albert CHAN considered that it would suffice for the Administration to consult the Panel before each equity injection. On enhancing transparency, DS(PL) agreed that where practicable, the Administration or URA would provide as much information as possible on the implementation of the five-year programme.

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25. In reply to Mr NG Leung-sing's enquiry about the \$1.7 billion deficit for the ten on-going projects of the LDC inherited by the URA, DS(PL) clarified that the deficit in question had been incurred from one project only. The amount of deficit also included expenditure arising from payment of interests. As to when the said deficit would be realized, DS(PL) would provide the information after the meeting.

26. As regards the break-even position which the URA was expected to achieve by 2014-15, DS(PL) explained that upon completion of all the 42 projects included in its first CP, URA estimated that with the Government's financial support and the finances that it intended to raise in the market, it would achieve a break-even position with a cash balance of \$10 billion and no liabilities by 2014-15.

27. In reply to Mr James TIEN's question on the competitive rates for URA to borrow, DS(PL) advised that according to URA's forecast based on the prevailing market conditions when the CP was prepared, the interest rates on bank loans and cash surplus were 6% per annum and 4% per annum respectively.

28. Ms Emily LAU expressed full support for urban renewal with a view to improving the living conditions of residents. Noting that the urban renewal programme would comprise 200 projects identified in the Government's Urban Renewal Strategy and 25 uncompleted LDC projects to be completed in 20 years, Ms LAU was gravely concerned about the progress of implementation as only 42 projects had been included in the first CP for completion by 2014-15. She also asked whether participation of the Housing Society following the review of the institutional framework for public housing and other active measures could help expedite the programme.

29. In response, DS(PL) pointed out that in assessing the progress of urban renewal, consideration should not be given to the number of projects only as the extent of the area for redevelopment was also significant. She referred to a single project in Kwun Tong already announced by LDC which covered a total area of 5 hectares, as against a total area of 67 hectares covered by the entire urban renewal programme. She further advised that upon completion of the 42 projects (which covered a total area of around 13.5 hectares) included in the first CP, about 20% of the respective targets identified in the Urban Renewal Strategy could be achieved. For example, on the target of producing 90 000 m<sup>2</sup> of floor space for use as community/welfare facilities, completion of the said 42 projects would provide some 40 000 m<sup>2</sup> of floor space for such purposes. Ms Emily LAU opined that to facilitate members' reference, it would be useful for the Administration to also provide more detailed information in respect of the projects, such as the area covered and the floor space produced etc.

30. On cooperation between URA and the Housing Society, DS(PL) referred to the recommendation in the Report on the Review of the Institutional Framework for Public Housing that the Housing Society should be invited to work with URA towards a strategic partnership for urban renewal and confirmed that the Administration would actively encourage the two organizations to enter into such partnership. However, it might be too early at the present stage to confirm whether the URA would still need to raise finances in the market with the participation of the Housing Society. The Administration believed that with the Housing Society as a strategic partner and as the programme gained more operational experience and acceptance by the community, the pace of urban renewal could be accelerated.

31. In reply to Mr LAU Ping-cheung's enquiry about the timeframe for URA and the Housing Society to enter into strategic partnership, DS(PL) re-affirmed that the Administration would make the best effort to facilitate both organizations in extending the scope of cooperation. Pending the establishment of the new housing organization, DS(PL) said that the Memorandum of Understanding between the Housing Society and the new housing organization defining the roles and responsibilities of both parties with respect to the Housing Society's remaining public housing functions was yet to be reached.

32. While expressing support for the present proposal, Mr IP Kwok-him reiterated the view of Members of DAB that the basis for calculating the Home Purchase Allowance (HPA) payable to owners affected by urban renewal should be a flat of five years old and not seven years old. He urged the Administration to convey to the URA that the 25 uncompleted LDC projects should be given more favourable treatment and that the resumption of commercial properties would require further attention.

33. Mr LEE Cheuk-yan recapitulated some members' strong concern raised at the FC meeting on 31 March 2001 that URA should consider using a five-year old flat as the basis for calculating HPA and that a more favourable level of allowance should be payable for the 25 uncompleted LDC projects. He enquired whether a more favourable level of compensation had in fact been effected.

34. In response, DS(PL) highlighted the independence of the URA in deciding on its own acquisition policies and related matters. Nevertheless, as undertaken at the FC meeting on 31 March 2001, the Administration had recommended to URA a number of measures to render practical assistance to affected residents. According to the Administration's knowledge, the URA had considered these recommendations and effected a higher level of ex-gratia allowance in some cases.

35. Mr James TO enquired whether fluctuation in the property market would affect URA's decision to proceed with acquisition and its projected cashflows. He was also concerned about the implications of the relevant recommendation in the Report on the Review of the Institutional Framework for Public Housing on the implementation of urban renewal programme, in particular whether URA would defer its major acquisition offers with a view to regulating supply in the property market.

36. In response, DS(PL) referred to one of the recommendations in the Report that "the new housing organization should monitor actively the progress of rail-related housing developments and those of the URA, assess their implications for the Government's housing policy objectives and proactively seek the Steering Committee on Land Supply for Housing's guidance on these

implications as necessary". However, as it was estimated that only some 11 000 housing units would be made available from urban renewal over a ten-year period, DS(PL) pointed out that URA's housing development should not have a significant impact on the property market. Given URA's missions as stipulated in the relevant legislation, she also considered it highly unlikely that URA would acquire the sites without proceeding with redevelopment work. Notwithstanding, Mr James TO maintained his concern that URA might defer its acquisition offers where the prevalent conditions in the property market were unfavourable.

37. The Committee approved the proposal.

#### **Item No. 4 - FCR(2002-03)25**

##### **LOAN FUND**

##### **HEAD 257 - EMPLOYEES COMPENSATION ASSISTANCE FUND**

##### **◆ Subhead 101 Bridging loan to Employees Compensation Assistance Fund Board**

38. Members noted that the Panel on Manpower had been consulted on the present proposal on 15 November 2001 and 20 December 2001.

39. The Committee approved the proposal.

#### **Item No. 5 - FCR(2002-03)26**

##### **LOAN FUND**

##### **HEAD 252 - LOANS TO SCHOOLS/TEACHERS**

##### **◆ Subhead 106 Start-up loan for post-secondary education providers**

40. Members noted that an information note had been circulated to the Panel on Education on 12 June 2002.

41. Mr TAM Yiu-chung declared his interest as a member of the Vocational Training Council (VTC).

42. Ms Emily LAU remarked that issues relating to Associate Degree programmes were controversial. Noting that the City University (CityU) intended to rent premises in Telford Gardens and that VTC intended to build additional premises at its Hong Kong Institute of Vocational Education (Tsing Yi) campus, Ms LAU expressed grave concern about the provision and quality of campus life for students of the Associate Degree programmes. She also enquired whether space had been earmarked at the VTC's Tsing Yi campus for providing the additional premises.

43. In response, the Principal Assistant Secretary for Education and Manpower (PAS(EM)) informed members that the CityU had identified a former secondary school in Telford Gardens which would be renovated for running the Associate Degree programmes. In giving its approval, the Senate of the CityU had already given due consideration to the available facilities. He added that the space entitlement of each Associate Degree undergraduate would be about 5m<sup>2</sup> and these undergraduates could also use the existing facilities of the CityU. PAS(EM) further advised that the VTC would construct a new building in its Tsing Yi Campus, and expand the canteen and library. Even if the additional premises of 19 800 m<sup>2</sup> was provided, the VTC's Tsing Yi Campus would only have utilized about 50% of the maximum floor area permitted to be built under its land lease. PAS(EM) said that the Administration had always encouraged institutions to fully utilize their existing premises.

44. Ms Emily LAU did not subscribe to the Administration's explanation and reiterated her concern that it was highly undesirable for Associate Degree places to be provided without due regard to the campus environment and the quality of campus life. As such, she expressed objection to the present proposal.

45. Ir Dr Raymond HO enquired whether accreditation by the Hong Kong Council for Academic Accreditation would be a requirement for the Start-up Loan Scheme for post-secondary education providers. In response, PAS(EM) confirmed that this would be a requirement for non-self accrediting institutions. He also stressed that in considering applications for start-up loans, the Administration would have due regard to the quality of the programmes offered.

46. Noting that the Associate Degree programmes would be run on a self-financing basis, Ms LAU enquired about the demand for Associate Degree programmes and whether their level of tuition fees would be affordable to interested students. In this connection, PAS(EM) advised that the CityU proposed a tuition fee of \$45,000 per annum for its programmes while the VTC's tuition fee level was from \$38,000 to \$42,000 per annum. As such, they were not excessively costly when compared to the tuition fee of about \$31,000 per annum for a government-funded place. Moreover, students who lacked financial means could also apply for grants and low-interest loans. On the demand for Associate Degree places, PAS(EM) advised that on average, three students were competing for a place, while for some popular programmes, ten students were competing for a place.

47. The Committee approved the proposal. Ms Emily LAU requested that her strong objection to the proposal be recorded.

**Item No. 6 - FCR(2002-03)27**

**HEAD 31 - CUSTOMS AND EXCISE DEPARTMENT**

**◆ Subhead 603 Plant, vehicles and equipment**

48. Members noted that an information paper on the present proposal was circulated to the Panel on Security in January 2002.

49. Mr Henry WU expressed support for the present proposal. Noting that the x-ray system would emit radiation, he enquired about the arrangements for ensuring that people on board the container vehicles would not be exposed to excessive radiation. In response, the Assistant Commissioner of Customs and Excise (AC of C&E) advised that as certified by the contractor, the x-ray emitted from the system would cause no harm to human health. The system had been tested and was in compliance with existing requirements under relevant legislation. Moreover, the x-ray inspection would be carried out after the driver had alighted the truck. As regards Mr WU's concern about the strength of the radiation emitted from the system, the Project Manager of Electrical and Mechanical Services Department (PM, E&MSD) confirmed that the exposure of the entire container vehicle would be approximately equivalent to 1/20 of the exposure in a chest x-ray examination. The exposure to radiation of the people who remained on board the truck would be even lower as they were of a much smaller size than the truck.

50. Pointing out that officers of the Customs and Excise Department (C&ED) might become exposed to radiation in the course of their work, Mr Henry WU asked whether there were guidelines on operating the systems and whether safeguards were in place to ensure that the exposure levels of the officers would be within safety limits.

51. In response, AC of C&E confirmed that there were operational manuals on the use of the systems. In the course of inspection, the C&ED officers would remain in the cabin of the mobile x-ray system and operate an extended mechanical arm to carry out the screening. Apart from undergoing periodic examinations arranged by the C&ED, the officers concerned would also be required to wear a badge while on duty for monitoring their level of exposure to radiation.

52. Ms Emily LAU sought information on the extent to which cargo clearance could be expedited and the increase in detection rate of smuggling as a result of using the mobile x-ray vehicle scanning system. In response, AC of C&E advised that under the existing performance pledge, the C&ED would clear the cargoes within five days from the date of making appointment with the traders for cargo inspection. In actual practice, such inspection could take place within three days. The exact time required for searching would depend on the volume of cargoes and whether they were assessed to be of high or low

risks. In future, the use of the x-ray systems could expedite the necessary searches and hence, result in a shorter waiting time for appointments. However, the actual reduction in waiting time could only be ascertained when the new systems were put into use. On enhancing the detection of smuggling, AC of C&E pointed out that through the use of x-ray image, officers could detect whether there were any irregularities and decide whether to release or search the container in question. Manpower could therefore focus on more detailed examination of consignments assessed to be of high risk in the preliminary screening.

53. On the places of manufacture of the mobile x-ray vehicle scanning systems, AC of C&E informed members that the mobile x-ray systems currently used in Hong Kong were manufactured in the United States. According to his knowledge, the Mainland and other countries such as Germany also produced such systems.

54. The Committee approved the proposal.

#### **Item No. 7 - FCR(2002-03)28**

#### **HEAD 55 - GOVERNMENT SECRETARIAT : INFORMATION TECHNOLOGY AND BROADCASTING BUREAU**

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

55. Members noted that the Panel on Information Technology and Broadcasting had been consulted on the present proposal on 10 June 2002.

56. Mr Howard YOUNG welcomed the hosting of major international events such as the International Telecommunication Union (ITU) TELECOM Asia in Hong Kong. Noting that one of the reasons for seeking the proposed funding was the lower than expected commercial sponsorship, Mr YOUNG enquired about the commercial sponsorship obtained for the last ITU TELECOM in 2000. In reply, the Deputy Secretary for Information Technology and Broadcasting (DS(ITB)) advised that Hong Kong hosted the event for the first time in 2000 and the total value of commercial sponsorship, both in kind and in service, amounted to some \$6 million on that occasion. In this connection, Mrs Selina CHOW considered that for a prestigious event such as the ITU TELECOM 2002, the Administration should actively reach out to secure more commercial sponsorship. DS(ITB) responded that under a difficult economic climate, the Administration had only been able to obtain sponsorship in the region of \$4.8 million but it would spare no effort in seeking sponsorship.

57. Mr LEE Cheuk-yan considered the estimated expenditure of \$7.6 million on host city functions (comprising an opening reception for 2 000

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persons, a dinner for participating Ministers of Member States, a farewell reception for 1 000 persons, and free telecommunication services to ITU) on the high side and sought further clarification and breakdown on this expenditure item.

58. In reply, DS(ITB) elaborated that the estimated expenditure of \$7.6 million had been proposed based on that of the ITU TELECOM Asia 2000. The amount included expenditure on rental charges, food, performances and other incidental expenses such as crowd control and security services. The opening reception for 2 000 persons would be held at the Hong Kong Convention and Exhibition Centre (HKCEC), followed immediately by the dinner participated by over 400 guests including Ministers of Member States, senior executives of telecommunications corporations and local Consuls-General. DS(ITB) further pointed out that as the host city, Hong Kong was required under the Memorandum of Administrative Arrangements relating to ITU TELECOM Asia 2002 to provide the necessary hospitality functions and publicity. Notwithstanding the estimated expenditure, DS(ITB) remarked that ITU TELECOM Asia 2000 had brought in as much as \$260 million total spending by overseas visitors in Hong Kong.

59. Mr LEE Cheuk-yan asked whether the HKCEC had provided some form of financial sponsorship given that the event had taken up the entire venue of the HKCEC. In reply, DS(ITB) said that although the HKCEC had not provided any direct financial support, it had made some concessions in terms of venue rental and the Government had assisted ITU in negotiating for favourable rental terms with HKCEC. In this regard, DS(ITB) pointed out that ITU was a not-for-profit organization and the surplus from TELECOM events would be used to support specific telecom development projects primarily in less developed countries.

60. While expressing support for Hong Kong to host the ITU TELECOM Asia 2002, Ms Emily LAU enquired about the benefits which the event might bring to the local telecommunications industry. In reply, DS(ITB) said that according to the Administration's records, Hong Kong companies took up about 3 000 square metres of exhibition space during the 2000 event and some 80% of the companies obtained business orders. DS(ITB) agreed to provide further information on the business obtained by local firms at the ITU TELECOM Asia 2000 after the meeting.

Admin

61. Dr YEUNG Sum expressed support for the present proposal and appreciated the initiative of hosting a Youth Forum in which overseas students and two students selected from local universities would participate.

62. Mrs Selina CHOW expressed support and stressed that it was highly worthwhile for Hong Kong to host the international event again in view of the overwhelming success on the last occasion. As the event was participated by

many high-level overseas delegates, Mrs CHOW urged that the Administration should take the opportunity to promote the unique artistic and cultural characteristics of Hong Kong. In this regard, she considered that the best local groups/artists should be given the opportunity to perform at the opening ceremony.

Admin

63. In response, DS(ITB) advised that while Hong Kong was the host city, the programme for the opening ceremony was primarily a matter for ITU. Nevertheless, she undertook to convey to ITU the suggestion that the programme for the opening ceremony should display Hong Kong's unique characteristics. Notwithstanding, Mrs Selina CHOW reiterated her view that the Government should take more active steps to enrich the local contents of the programme for the opening ceremony. Her concern was shared by Dr YEUNG Sum.

64. DS(ITB) noted members' concern and added that during the 2000 event, lunch-time concerts performed by the Academy of Performing Arts had been organized and the Administration would likely arrange for similar programmes during the 2002 event to promote local arts and culture.

65. As regards the other contestants for hosting the ITU TELECOM 2002, DS(ITB) said that they included Japan, Singapore, Malaysia and South Korea. As to why Hong Kong was selected as the host city, DS(ITB) pointed out that the ITU was impressed by the overwhelming success of the 2000 event which had been actively participated with a record high number of visitors among the TELECOM events held in the Asian region so far. She added that it was not yet known at this stage who would be guests to officiate at the opening of the 2002 event.

66. The Committee approved the proposal.

67. The Committee was adjourned at 4:30 pm.