

立法會
Legislative Council

LC Paper No. FC24/02-03
(These minutes have been
seen by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 15th meeting
held at the Legislative Council Chamber
on Monday, 15 July 2002, at 11:30 am**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Dr Hon David CHU Yu-lin, JP
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 Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah
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 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, JP
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 James TIEN Pei-chun, GBS, JP
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon Mrs Selina CHOW LIANG Shuk-yeet, GBS, JP
Hon HUI Cheung-ching, JP
Hon LEUNG Yiu-chung
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBS, JP
Hon SZETO Wah
Hon Timothy FOK Tsun-ting, SBS, JP
Hon Frederick FUNG Kin-kee

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Mr Stanley YING, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)

Mr John LEUNG	Principal Assistant Secretary for Education and Manpower (9)
Mr C H YUE, JP	Acting Director of Architectural Services
Mr S L MA	Principal Education Officer of Education Department
Mr Daniel CHENG	Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands) (2)
Mr Raymond CHUNG	Chief Assistant Secretary for Economic Development and Labour (Port, Maritime and Logistics)
Mr H K WONG, JP	Director of Territory Development
Mr Philip K F CHOK, JP	Deputy Secretary for Education and Manpower
Mr Tony CHENG	Principal Assistant Secretary for Education and Manpower (7)
Ms Doris CHEUNG	Principal Assistant Secretary for the Environment, Transport and Works (Transport and Works)
Mr IP Man Kwong, Stephen	Acting Assistant Commissioner for Transport (M & P)
Mr FAN Ho Chuen	Project Manager of Electrical and Mechanical Services Department
Mr Howard CHAN	Acting Deputy Secretary for the Environment, Transport and Works (Environment)
Mr C W TSE	Assistant Director of Environmental Protection
Mr Peter LUK	Assistant Commissioner for Transport (NT)
Miss CHEUNG Siu-hing, JP	Deputy Secretary for Housing, Planning and Lands (Planning and Lands)
Mr Gary YEUNG	Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands) (1)
Mr R C BARAM, JP	Assistant Director of Lands
Mr CHENG Yao-kong	Assistant Director of Housing

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Polly YEUNG
Mr Matthew LOO

Chief Assistant Secretary (1)3
Senior Assistant Secretary (1)3

Action

Item No. 1 - FCR(2002-03)29

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 19 JUNE 2002**

The Committee approved the proposal.

Item No. 2 - FCR(2002-03)30

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 12 JUNE 2002 AND 26 JUNE 2002**

2. At members' request to consider and vote on PWSC(2002-03)51, PWSC(2002-03)55 and PWSC(2002-03)56 separately, the Chairman put FCR(2002-03)30, except PWSC(2002-03)51, PWSC(2002-03)55 and PWSC(2002-03)56, to the vote. The Committee approved the proposal.

**Head 703 - BUILDINGS
Education - Primary**

PWSC(2002-03)51	274EP	A 36-classroom primary school in Area 65, Tseung Kwan O
PWSC(2002-03)56	301EP	A 24-classroom primary school at Hing Ping Road, Tuen Mun
	312EP	A 24-classroom primary school at San Ha Street, Chai Wan

3. Mr Albert CHAN stated that Members of the Democratic Party (DP) supported the proposed primary schools in Tseung Kwan O, Tuen Mun and Chai Wan but considered that each of these schools should be provided with its own running track. Mr CHAN commented that the sites for these schools were suitable for the provision of running tracks and did not agree with the Administration's response at the Public Works Subcommittee (PWSC) meeting on 26 June 2002 that it would be up to the respective school sponsoring body to decide whether such facility should be included in the school. Mr CHAN

considered that where feasible, running tracks should be provided as a standard facility for new primary schools. He said that he might not support the proposal for new schools the sites of which were suitable for building running tracks but which were not provided with such facility.

4. While supporting in principle the provision of running tracks to primary schools, Mr IP Kwok-him said that Members of the Democratic Alliance for Betterment of Hong Kong (DAB) would not agree that running tracks should be provided as a standard facility for all primary schools. Moreover, the provision of running tracks should not be a prerequisite for funding approval for new schools. Instead, to cater for the specific requirements of individual schools, the school sponsoring bodies concerned should be given the discretion to decide the types of facilities required. Mr IP said that Members of DAB would support PWSC(2002-03)51 and PWSC(2002-03)56.

5. In response, the Principal Education Officer advised that subject to site conditions, running tracks would be provided to schools after consulting the school sponsoring bodies concerned. However, some school sponsoring bodies might prefer other facilities such as mini-soccer pitches or multi-purpose playgrounds. In this connection, the Acting Director of Architectural Services confirmed that due to site constraints of the three proposed schools, notably slopes in the Tuen Mun site and existing trees to be preserved around the Chai Wan site, the provision of running tracks had not been recommended.

6. Mr Albert CHAN had no objection to providing schools with facilities such as multi-purpose playgrounds but reiterated that where feasible, the provision of running tracks to new schools should be a basic requirement. In response, the Principal Assistant Secretary for Education and Manpower (9) (PAS(EM)9) assured members that the Administration would consider the provision of running tracks to schools where technically feasible.

7. As regards the suggestion to include running tracks as a standard provision for primary schools, PAS(EM)9 advised that further consultation with school councils and school sponsoring bodies on the issue would be required. He pointed out that the inclusion of running tracks as a standard facility might constrain the choice of school sites. Mr IP Kwok-him said that as the standard of facilities for schools was a policy issue, it should be further discussed at the relevant Panel(s) if members so wished. Mr Andrew WONG and Mr LAU Ping-cheung echoed this view. Mr LAU also pointed out that the inclusion of running tracks as a standard facility would affect the construction costs and the choice of sites. He therefore agreed that more in-depth deliberation was necessary.

8. In this connection, Dr Raymond HO pointed out that the location of many school sites was not satisfactory and would pose problems to the design

of schools and even the safety of students. He urged the Administration to take this into account when planning for schools. PAS(EM)9 noted Dr HO's view for consideration but advised that in the course of identifying school sites, many factors would need to be considered. It should also be noted that only a limited number of sites were available for the provision of additional primary schools to meet the necessary demand.

9. The Chairman put PWSC(2002-03)51 to vote. The Committee approved the item.

10. The Chairman put PWSC(2002-03)56 to vote. The Committee approved the item.

Head 707 - NEW TOWNS AND URBAN AREA DEVELOPMENT
Kowloon Development Civil Engineering - Land development

**PWSC(2002-03)55 465CL South East Kowloon development -
water front facilities and Kai Tak
Nullah/Kwun Tong typhoon shelter
reclamation**

Shortfall in typhoon shelter space and reprovisioning arrangement

11. Ms Miriam LAU said that Members of the Liberal Party (LP) had no objection to the South East Kowloon Development (SEKD). However, she was concerned about the reprovisioning arrangement arising from the reduction of the total area of typhoon shelters in South East Kowloon (which included Kwun Tong Typhoon Shelter (KTTS) and To Kwa Wan Typhoon Shelter (TKWTS)) from some 50 hectares to 23.5 hectares as a result of the reclamation projects at Kowloon Bay. She pointed out that according to the Assessment on Typhoon Shelter Space Requirement 2001-2016 (the Assessment) prepared by the Marine Department (MD), there was already a shortage of 12 hectares of typhoon shelter space in Hong Kong. MD had also recommended in the Assessment that the lost space in KTTS and TKWTS arising from SEKD would be reprovisioned like for like in a new typhoon shelter located near the ex-Kai Tak Runway. Its size would be equal to the total effective area of TKWTS, KTTS and the part of Causeway Bay Typhoon Shelter for non-pleasure vessels. Members noted that as the aforesaid reprovisioning arrangement had not been supported by the Town Planning Board, a coalition of 21 associations of the affected trade (the coalition) had issued a letter to all Members of the Legislative Council expressing their concerns about the reprovisioning arrangement. Ms LAU was not satisfied that the Administration had decided to proceed with the present proposal without proper reprovisioning arrangements for the reduction in typhoon shelter space and enquired whether the new reprovisioned KTTS would be opened to pleasure vessels only.

12. In response, the Principal Assistant Secretary for Housing, Planning and Lands (Planning and Lands) (2) (PAS(HPL)(PL)2) said that a series of public consultation had been conducted on the SEKD project and the present proposal was acceptable to the relevant District Councils and the community at large. He confirmed that the reprovisioned KTTS would not be restricted to pleasure vessels only. PAS(HPL)(PL)2 also said that the Administration was fully aware of the MD's Assessment but considered the planning of SEKD and the provision of typhoon shelter space in Hong Kong two issues which should be addressed separately. The Administration would closely monitor the supply of typhoon shelter space and ensure that sufficient mooring spaces were available in Hong Kong waters.

13. The Chief Assistant Secretary for Economic Development and Labour (Port, Maritime and Logistics) (CAS(EDL)(P, M&L)) further advised that the next annual assessment on typhoon shelters space requirements would be conducted by MD in August 2002. Under the existing methodology, a 10% temporary mismatch between the demand and supply in typhoon shelter space was considered acceptable. The reduction in typhoon shelter space arising from SEKD was within the 10% mismatch in the Assessment. Notwithstanding, the Administration would identify suitable sites for additional typhoon shelter space if the projected demand exceeded the said 10% mismatch.

14. On concerns about the shortfall in typhoon shelter space, CAS(EDL)(P, M&L) advised that there was sufficient typhoon shelter space following the commissioning of the Hei Ling Chau Typhoon Shelter (HLCTS) which provided some 50 hectares of typhoon shelter space. Regarding the relatively remote location of HLCTS, CAS(EDL)(P, M&L) said that before typhoon signal no. 8 was hoisted, the Administration would release updates on the use of different typhoon shelters via radio broadcast so that the vessels would have sufficient time to proceed to the appropriate shelters.

15. Mr Albert CHAN shared Ms Miriam LAU's concerns about the reprovisioning arrangement and said that he would not support the proposal unless the Administration could provide clear plans on how the projected shortfall of some 20 hectares of typhoon shelter space in Hong Kong by 2005 could be met. In this connection, PAS(HPL)(PL)2 informed members that according to the annual assessment conducted by MD, a decrease in the demand for typhoon shelter space had actually been recorded in 2001. He reaffirmed the policy objective to provide sufficient typhoon shelter space in Hong Kong waters and reiterated that new typhoon shelters would be proposed if the projected shortage in typhoon shelter space exceeded the 10% mismatch.

16. While expressing support for the development of the new waterfront of South East Kowloon for tourism and leisure purposes, Miss CHAN Yuen-han stressed that the Administration should minimize the impact of the

development on existing economic activities and job opportunities. She urged that the reprovisioning arrangements for affected typhoon shelters should be finalized in consultation with the affected trades before the commencement of the necessary reclamation works. In the absence of such arrangements, she would not support the present proposal.

17. In response, PAS(HPL)(PL)2 said that the adequacy or otherwise of typhoon shelters should be examined on a territory-wide basis because typhoon shelters were open to use by vessels from all over the territory. Meanwhile, as the present proposal was for detailed design and site investigation, PAS(HPL)(PL)2 said that the Administration could still continue to look into the issue in consultation with the trade.

Reprovisioning of public cargo working areas (PCWAs)

18. Mr Fred LI enquired on the impact of the reduction in KTTS on the Cha Kwo Ling public cargo working area. Noting that the PCWAs in the KTTS and Cha Kwo Ling would be closed by around 2005 and 2010 respectively, he was concerned whether it would be too late if the Government would only finalize the way forward by February 2004. In response, PAS(HPL)(PL)2 advised that the usage of mooring spaces in KTTS and Cha Kwo Ling by cargo-handling vessels and marine works barges on normal days was rather low. Moreover, there would be a water space of some 23.5 hectares at the reduced KTTS for use by these vessels. The real demand for typhoon shelter space was when typhoon signals were hoisted. He also advised in response to Mr LI that works of the proposed reduction in KTTS would not have the effect of diverting the vessels to Cha Kwo Ling. Mr Andrew WONG, on the other hand, did not subscribe to the Administration's explanation and considered that PCWA operators in Cha Kwo Ling would be adversely affected when the KTTS reclamation commenced in 2005.

Town planning procedure

19. Mr Albert CHAN queried whether all the necessary town planning procedures, including the handling of objections against the SKED scheme and gazettal of the decision of the Executive Council (ExCo), had been completed when the Administration sought PWSC's endorsement of the present proposal. In response, PAS(HPL)(PL)2 clarified that when the project was submitted to PWSC for consideration, it had already been approved by the ExCo with all the town planning procedures completed. However, the gazettal of ExCo's decision took place after the PWSC meeting. In this regard, Mr CHAN considered gazettal a very important step as this was the Administration's official announcement on the matter. PAS(HPL)(PL)2 noted his view.

Motion moved by Mr Andrew WONG to adjourn discussion on the proposal

20. Noting members' concerns about the present proposal and its possible implications on the availability of typhoon shelter space, Mr Andrew WONG moved a motion under Rule 39 of the Finance Committee Procedure that discussion on this proposal be adjourned. In reply to the Chairman, the Deputy Secretary for Financial Services and the Treasury (Treasury) said that as the motion was moved on the member's own accord, the Administration would listen to members' views first before giving its comments.

21. The Chairman then proposed the question on Mr WONG's motion to adjourn the discussion. At the Chairman's invitation to speak, Ms Miriam LAU supported Mr Andrew WONG's motion because she considered that the Administration would not be able to address members' concerns at this meeting. Ms Emily LAU agreed that consideration of the proposal should be deferred but members should be given an opportunity to state their views for the Administration's consideration. Mr CHAN Kam-lam, Miss CHOY So-yuk and Mr Albert CHAN agreed with Ms LAU's views. Mr LAU Ping-cheung supported Mr WONG's motion and considered that the shortage of typhoon shelter spaces in Hong Kong was a policy issue which should be further examined. Mr Kenneth TING supported Mr WONG's motion. Mr Abraham SHEK doubted the need for further discussion as the Administration's repeated explanation had not addressed members' concerns. He said that members might as well vote on the proposal as it stood.

22. The Chairman then invited the Administration's view on whether discussion on the proposal should be adjourned. PAS(HPL)(PL)2 stated that the existing proposal was to seek funding for carrying out site investigation and detailed design for SEKD. He considered that members' concerns about the arrangements for typhoon shelter space could be dealt with as a separate issue in a wider policy context. He therefore urged members to support the present proposal which had undergone extensive consultation and which had the support of the Kwun Tong District Council, Wong Tai Sin District Council and Kowloon City District Council. Mr Andrew WONG, in his reply, reiterated his concerns about the impact of SEKD on the provision of typhoon shelter space and the operation of PCWAs.

23. The Chairman then put Mr Andrew WONG's motion to adjourn the discussion on the proposal to vote. Mr WONG's motion was passed. The Chairman then declared that the discussion on the proposal would be adjourned and the Committee would proceed to the next agenda item.

Item No. 3 - FCR(2002-03)31

**HEAD 146 - GOVERNMENT SECRETARIAT: EDUCATION AND
MANPOWER BUREAU**

♦ Subhead 700 General other non-recurrent

Item 027 Project Springboard and Web-site on Continuing Education

24. Members noted that the present proposal had been discussed by the Panel on Manpower on 27 June 2002.

25. Mr YEUNG Yiu-chung said that members of DAB supported the present proposal but considered that an additional tier of fee reimbursement at, say, 50% of the tuition fee, should be introduced under Project Yi Jin for needy students who might not be able to pass the means-test.

26. Ms Cyd HO said that the Administration had not adequately addressed the concerns raised by members at the said Panel meeting about the rate of reimbursement. She recalled that some Panel members had suggested that to provide real help and encourage participation, the rate of reimbursement on a non-means-tested basis should be raised from 30% to 50%, or that the highest income level for a four-member family should be raised to over \$10,000 in order to qualify for reimbursement. She was concerned that before any improvement could be introduced, the three-year Project might have already lapsed.

27. In reply, the Deputy Secretary for Education and Manpower (DS(EM)) advised that at present, students of Project Yi Jin were reimbursed 30% of the tuition fee upon satisfactory completion of a course module on a non-means-tested basis. The present proposal to increase the rate of reimbursement to 100% of the tuition fee subject to passing a means-test was consistent with the existing criteria adopted under other student financial assistance schemes. Needy students who could not pass the means-test could apply for loan assistance. The Administration would conduct a comprehensive review of the project in the 2002-03 academic year in which the way forward and long term funding arrangements would be examined.

Admin

28. Ms Emily LAU enquired about the savings resulting from a lower than originally envisaged number of students taking part in Project Yi Jin and of those satisfactorily completing the programme. In response, DS(EM) advised that initially, the Administration had sought funding for the Project on the assumption that 100% of the participants could successfully complete the programme. However, the actual successful completion rate was only about 85%. While it was originally forecast that some 5 000 students would enroll in the programme, the actual intake for the first and second year was about 4 000 and 3 000 respectively. Hence, some savings between the original estimate and actual expenditure could be achieved.

29. Noting that of the 3 033 full-time students who completed the programme in 2001, 57% pursued further studies and 33% took up jobs, Ms Emily LAU sought further information on the placement figure and the situation of the remaining 10%. In response, DS(EM) elaborated that as a result of training under Project Yi Jin, students were better equipped to pursue further studies at the certificate, higher diploma and associate degree levels. According to a survey conducted by the Administration, students who had successfully completed the programme took up jobs as policemen, nurses, real estate assistants, teaching assistants and sales representatives. Ms Emily LAU was gravely concerned about the effectiveness or otherwise of Project Yi Jin. She urged the Administration to include in its review the use of certain assessment criteria such as job retention rates.

30. Mr Tommy CHEUNG said that members of LP supported the present proposal. He shared Ms Emily LAU's concern about the use of objective criteria, such as by tracking the job retention rate of the trainees, in assessing the effectiveness of the Project and urged the Administration to take this factor into serious consideration.

Admin 31. In this connection, DS(EM) said that the Administration could consider collecting information from trainees on how long they had been/were employed in their jobs in the context of the comprehensive review. However, he stressed that the objective of Project Yi Jin was to provide an alternative route to expand the continuing education opportunities for secondary school leavers, thereby upgrading their abilities in taking up further studies or finding jobs. Whether the students would pursue further studies or take up employment after completion of the programme would be entirely up to them.

32. Mrs Sophie LEUNG urged the Administration to critically examine the objective and effectiveness of Project Yi Jin instead of implementing the Project merely as a stop-gap measure to handle the problem of young people who were unable to find a job or pursue further studies. In response, DS(EM) reiterated that through combining academic pursuits with practical skills training, Project Yi Jin was providing an avenue to better equip secondary school leavers who did not obtain good academic results in pursuing further studies or finding employment.

33. Referring to his experience as Chairman of the Employees Retraining Board, Mr TAM Yiu-chung highlighted the difficulties and resources involved in tracking the job retention rate of trainees. He agreed that Project Yi Jin was needed in the face of the high number of young people who were unable to find a job or take up further studies. He also cautioned that it might not always be practicable to set hard and fast yardsticks for assessing schemes such as Project Yi Jin.

34. Dr YEUNG Sum said that members of DP supported the present proposal in principle. He nevertheless urged the Administration to examine in the forthcoming review the level of means-test for eligibility for reimbursement and the feasibility of providing further incentives such as subsidies.

35. The Committee approved the proposal.

Item No. 4 - FCR(2002-03)32

**CAPITAL WORKS RESERVE FUND
HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND
EQUIPMENT**

Transport Department

♦ New Subhead "Replacement of the Traffic Control and Surveillance System in Cross-Harbour Tunnel"

36. Members noted that the Transport Panel had discussed the proposal on 28 June 2002.

37. Mr Andrew CHENG appreciated that the Administration had accepted the Transport Panel's views to expedite the implementation programme for the replacement of the traffic control and surveillance system (TCSS) in the Cross Harbour Tunnel (CHT) by compressing the time required for the traffic and civil engineering study and system engineering study from 50 months to 41 months. However, he considered that the implementation programme could be further expedited by shortening the time required for pre-qualification/tendering, and by carrying out tasks like civil and system engineering studies in parallel. Mr CHENG was worried that the new system might become outdated by the time it came into operation. Ms Emily LAU supported Mr CHENG's views but stressed that the necessary statutory procedures must be complied with. Mr CHAN Kam-lam also considered the implementation programme too long and enquired whether the project would be undertaken by the Electrical and Mechanical Services Department (EMSD) or by other service providers.

38. In response, the Principal Assistant Secretary for the Environment, Transport and Works (Transport and Works) (PAS(ETW)(T&W)) advised that as CHT was the most heavily utilized tunnel, it was essential that safe and smooth operation of the tunnel be maintained at all times. A longer implementation programme was therefore required to ensure that the replacement works were programmed and implemented with minimal disruption to tunnel operations. The Project Manager of Electrical and Mechanical Services Department (PM, E&MSD) supplemented that extensive checking of the existing facilities such as electricity supply in CHT was necessary before the new system could be installed. The necessary works

were complicated and time-consuming, particularly for old and heavily utilized tunnels like CHT. The Administration therefore considered that the 41-month implementation period was an appropriate duration. PM, E&MSD confirmed that with the exception of a small amount of civil engineering work which would be contracted out, EMSD would undertake the TCSS replacement project as the project manager.

39. Ms Emily LAU enquired whether the new system could also provide information on the tunnel to motorists so that they could take alternative routes in case of congestion or tunnel closure. In this connection, PAS(ETW)(T&W) recapped previous discussion at the Transport Panel on ways to enhance the dissemination of real-time tunnel traffic information to motorists. For example, Full Variable Message Signs and Limited Variable Message Signs would be installed at strategic locations of the main approach roads to CHT so that motorists could take alternative routes in a timely manner. Moreover, the Administration would also update motorists of the traffic conditions via radio broadcast.

40. On Mr LAU Kwong-wah's suggestion to use wireless technologies, PM, E&MSD noted the suggestion but advised that a wireline or cable-based system was more reliable than a wireless one because the latter was more vulnerable to interference. The existing trunking would be used in order to minimize the time required for installation.

41. Ms Emily LAU considered that the replacement works should be implemented with minimal traffic impact to CHT. Noting that it would take 22 months for the installation, testing and commissioning of the new system, Mr IP Kwok-him also enquired on measures to minimize traffic impact. In response, PAS(ETW)(T&W) informed members that the contractors would be required to conduct tunnel traffic impact assessments and implement appropriate temporary traffic management measures in consultation with the Police and the Transport Department. Most works would be carried out at night with a view to minimizing the impact on traffic flows during daytime. The Transport Department would closely monitor the effectiveness of these measures.

42. The Committee approved the proposal.

Item No. 5 - FCR(2002-03)33

HEAD 44 - ENVIRONMENTAL PROTECTION DEPARTMENT

♦ Subhead 700 General other non-recurrent

New Item "One-off grant to encourage diesel public light bus owners to replace their vehicles early with ones that are run on liquefied petroleum gas or electricity"

43. Members noted that the Panel on Environmental Affairs and Panel on Transport had been consulted on the present proposal at the joint Panel meeting on 13 June 2002.

44. Miss CHOY So-yuk regretted that the Administration had not acceded to members' requests as stated in the two motions passed at the joint Panel meeting. In this regard, she said that the provision of LPG filling stations was way behind schedule and asked whether the use of liquefied petroleum gas (LPG) public light buses (PLBs) was a pre-requisite for tendering new PLB routes. She was also concerned about possible market monopolization in the absence of alternative LPG PLB models.

45. Ms Miriam LAU expressed disappointment that the Administration had not acceded to the requests passed by the two Panels. However, since several hundred of PLBs had already switched to LPG, she would support the present proposal. She requested to put on record that notwithstanding her support, she did not consider the present proposal entirely satisfactory as there were still many shortcomings which had to be rectified.

46. In response, the Acting Deputy Secretary for the Environment, Transport and Works (Environment) (DS(ETW)(E)) recapitulated the Administration's reasons for not accepting members' suggestions (paragraphs 10 and 11 of the paper). He assured members that the Administration had given the suggestions very careful consideration and would continue to exchange views with members and the industry.

47. On tendering new PLB routes, DS(ETW)(E) and the Acting Assistant Commissioner for Transport (AC(T)) confirmed that the use of LPG PLB was not a pre-requisite. However, in a recent tendering exercise for green public light bus routes for a private housing development, the developer had requested that environmental consideration be included as one of the factors. A scoring system was therefore introduced whereby extra credit was given to the use of LPG PLBs. As regards the relative weight given to LPG and Euro III models, DS(ETW)(E) confirmed that under the current selection system, LPG and Euro III models received equal scores.

48. Regarding concerns about the availability of LPG models, DS(ETW)(E) referred to the supplementary information provided to the Panels

and said that a total of eight LPG models were currently available worldwide which could meet Hong Kong's specifications. Four models had actually been used in Hong Kong. He stressed that the local market was open but it would be up to individual vehicle suppliers to import the specific LPG models.

49. Referring to market conditions, Ms Emily LAU sought confirmation as to whether the least restriction was imposed on vehicle suppliers as long as their light buses could meet the requirements under the relaxed specifications. As Hong Kong's market was relatively small, she cautioned that overly stringent requirements would restrict the availability of alternative LPG models. In reply, DS(ETW)(E) confirmed that the local market for LPG light buses was open. The Administration had also approached members of the Motor Traders Association of Hong Kong to inform them about the relaxed specifications and to encourage them to supply more light bus models for the Hong Kong market.

50. While he would not object to the present proposal, Mr Albert CHAN reiterated his grave concern about the limited availability of LPG models which resulted in market monopolization by a few suppliers. In this connection, DS(ETW)(E) pointed out that following the introduction of the incentive scheme, the available models for light buses had increased from two to five, including both diesel and LPG models. At Mr CHAN's request, DS(ETW)(E) agreed to provide a paper 12 months after implementation of the scheme setting out all the models of light buses available on the market and their suppliers. DS(ETW)(E) nevertheless pointed out that it would be up to consumers to choose the models they preferred.

Admin

51. In reply to some members' enquiry about tax on LPG, DS(ETW)(E) advised that no tax was currently levied on LPG used for vehicles. In considering whether tax should be introduced in future, the Administration would follow the existing policy on taxation and take into account all relevant factors including the possible impact on the industry and the Government's fiscal position.

52. Noting the Administration's earlier estimate that if the entire fleet of some 6 000 diesel public and private light buses were replaced by LPG models, the respirable suspended particulates (RSP) and nitrogen oxides (NOx) emission would be reduced by 4% and 2% respectively, Ms Miriam LAU enquired about the improvement in air quality brought about by the present proposal which only covered public light buses. In reply, DS(ETW)(E) advised that according to an estimate made in November 2001, if 70% and 50% respectively of the existing diesel public light buses and private light buses were replaced by LPG ones, the emission of RSPs and NOx would be reduced by 3.6% and 1.4% respectively.

53. Given the relatively small number of 1 200 private school light buses, Ms Miriam LAU urged the Administration to include them in the incentive

scheme as this would not incur substantial financial resources. Her concern was shared by Ms Emily LAU. In response, DS(ETW)(E) explained that including private light buses under the scheme would incur an additional \$72 million. At present, private school light buses accounted for only about 12% of the emissions of the entire light bus fleet. The Administration therefore considered that limited financial resources should be used to achieve the greatest environmental benefits for the community. Moreover, private school light bus operators had more flexibility in refilling and the exemption of the first registration tax should provide reasonable incentive for private school light bus operators to switch to LPG light buses.

Admin

54. Mr IP Kwok-him said that members of DAB supported the present proposal. However, he did not subscribe to the Administration's reasons for excluding private school light buses from the incentive scheme and stressed that every effort should be made to improve air quality. Mr LAW Chi-kwong also urged the Administration to re-consider members' request which had been passed as a motion at the joint Panel meeting. DS(ETW)(E) said that the Administration would take members' views into consideration.

55. Ms Miriam LAU queried why the Administration would not undertake to conduct a mid-term review on the implementation of the scheme as in the case of the replacement of diesel taxis with LPG ones. She stressed the importance of such a review in gauging the progress of the replacement exercise and in deciding whether the deadline of application for the incentives would need to be extended. In response, DS(ETW)(E) said the Administration would keep the scheme under ongoing review. He pointed out that the nature of the currently proposed scheme was different from the scheme for LPG taxis in that the former was voluntary while the latter was mandatory. Regarding the deadline for application for the one-off grants, the Administration had already extended the originally proposed deadlines by one year whereby owners of diesel PLBs below ten years at the time of de-registration must replace their vehicles by end 2005. As the bulk of the existing diesel PLBs were approaching ten years of age, the Administration considered the currently proposed deadlines appropriate and in line with the objective to encourage the early replacement of older and more polluting diesel light buses.

56. In reply to Ms Miriam LAU on whether the Administration would continue to explore the practicability of using other types of clean fuels apart from LPG, DS(ETW)(E) said that an one-off grant of \$80,000 under the present proposal would also be provided for replacement of diesel PLBs with electric ones. As the Administration did not envisage the availability of other types of clean fuel in the foreseeable future apart from LPG and electricity, it had therefore decided to proceed with the present proposal.

57. Referring to the letter from the Environmental Light Bus Alliance tabled at the meeting which mentioned the growing use of alternative forms of

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clean fuels such as biofuels, Ms Emily LAU asked whether the use of LPG would in future pre-empt other forms of clean fuels. She also agreed that a review should be conducted in a year's time to keep pace with new product developments. In response, DS(ETW)(E) advised that existing legislation could cater for the use of other forms of clean fuels. The present incentive scheme covered LPG and electricity as they were already proven clean fuels. He agreed to report the progress of the scheme to the relevant Panels one year after its implementation.

58. Mr Andrew WONG said that as he understood, the newly appointed Secretary for the Environment, Transport and Works was in support of the use of diesel. He therefore asked whether the present proposal had the support of the Secretary. In reply, DS(ETW)(E) said that the present proposal represented the position of the Government as a whole and that the new Secretary for the Environment, Transport and Works had noted the paper.

59. Ms Cyd HO queried whether the emissions from LPG light buses, though reduced, would still constitute health hazards in crowded and narrow streets such as the Jardine's Bazaar in Causeway Bay. She considered that the Administration would conduct more frequent checks and formulate appropriate air quality standards in such places. In response, the Assistant Director of Environmental Protection said that the Administration would conduct more frequent checks and identify pollution-prone places, if any, after more light buses had switched to LPG models in about a year's time.

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60. In response to Ms Cyd HO's concern about the need for early action to monitor the emissions of LPG light buses, DS(ETW)(E) advised that all light buses had to meet certain emission requirements upon first registration and during annual inspections. The Administration would also introduce the necessary legislation to stipulate the emission standards of LPG light buses. DS(ETW)(E) further informed members that the Environmental Protection Department was planning in consultation with the industry and professional bodies to set up a roadside monitoring system to monitor the emission of moving vehicles by using infra-red light. The plan was expected to be finalized by 2003 and the Administration would report to the relevant Panels accordingly.

61. Mr Howard YOUNG noted that according to the Administration, the provision of 43 LPG filling stations would adequately serve the entire LPG taxi fleet and over 97% of the entire public and private light bus fleet. He enquired whether the demand could really be met. In response, DS(ETW)(E) advised that as PLBs and taxis usually did not all refill at the same time, the Administration believed that the current and planned provision of LPG filling stations would be able to meet the demand and drivers would unlikely need to queue up for long.

62. As to why the estimated cashflow for non-recurrent cost dropped in 2005-06 (i.e. fourth year of implementation), DS(ETW)(E) clarified that this was because the scheme would only last until December 2005 and would not run until the end of the 2005-06 financial year in March 2006.

63. The Committee approved the proposal.

Item No. 6 - FCR(2002-03)34

CAPITAL WORKS RESERVE FUND

HEAD 701 - LAND ACQUISITION

Ex-gratia Allowance for Permitted Occupiers of Licensed Domestic Structures and Surveyed Domestic Squatter Structures Affected by Clearance

64. Members noted that the Panel on Planning, Lands and Works and the Panel on Housing had been consulted on the present proposal on 18 June 2002.

65. Mr TAM Yiu-chung agreed with the benefit of the proposed ex-gratia allowance (EGA) in facilitating clearance action. Referring to the method of calculating the EGA, he asked whether the vast areas in the New Territories would be further subdivided according to the remoteness or otherwise of the areas. In this connection, he further enquired whether the average rental value of around \$70 per square metre per month (which would be the basis for calculating EGA) applicable for the New Territories would be subject to some variation.

66. In reply, the Deputy Secretary for Housing, Planning and Lands (Planning and Lands) (DS(HPL)(PL)) explained that in dividing the whole of Hong Kong into three broad regions, the extended urban area already included Kwai Chung, Tsing Yi, Tsuen Wan, Shatin, Taipo and Tseung Kwan O. As the aforesaid average rental value was derived with reference to a specified set of criteria (as spelt out in paragraph 5 of the paper), there would be no room for further negotiation.

67. Mr CHAN Kam-lam asked whether there would be further agricultural land resumption and clearance exercises apart from the 27 ongoing ones and the 60 similar exercises planned for the next five years. DS(HPL)(PL) responded that there might be other similar exercises.

68. Mr CHAN Kam-lam said that as he understood, occupiers affected by clearance who did not opt for public rental housing (PRH) although they were eligible would be entitled to receive an EGA in the amount of some \$30,000 to \$40,000 depending on the size of the household. As this level of EGA for households eligible for PRH compared even less than the amount of \$75,000

for occupiers not eligible for PRH, Mr CHAN considered that the existing policy was somewhat anomalous.

69. In response, DS(HPL)(PL) remarked that there were different types of EGA and their nature was also different. Referring to the average EGA of \$75,000 payable to an affected household, DS(HPL)(PL) pointed out that this was only an example for illustration and the actual amount would have to depend on the size of the structures in question.

70. Mr Albert CHAN considered that although the present proposal could benefit certain clearerees, it had not fully addressed the problems faced by the clearerees. He urged the Administration to critically review its policy arising from the 1982 Squatter Structure Survey and said that members of DP would abstain from voting on the present proposal.

71. Miss CHAN Yuen-han shared the members' concerns and reiterated her view that the existing clearance and rehousing policies had given rise to inequity and problems. In this connection, the Chairman advised that members might follow up the policy aspects at the relevant Panel(s).

72. In reply to Mr Albert CHAN, DS(HPL)(PL) confirmed that the new EGA would be applicable to all on-going and future resumption exercises and clearance exercises of unleased Government land. On whether a cleareree who had registered for but not yet allocated interim housing could choose to receive the new EGA instead, DS(HPL)(PL) advised in the affirmative.

73. The committee approved the proposal.

Item No. 7 - FCR(2002-03)35

FINANCE COMMITTEE PROCEDURE

74. The Committee approved the proposal.

Item No. 8 - FCR(2002-03)36

PUBLIC WORKS SUBCOMMITTEE PROCEDURE AND ESTABLISHMENT SUBCOMMITTEE PROCEDURE

75. The Committee approved the proposal.

Item No. 9 - FCR(2002-03)37

PROCESS OF CONSULTATION ON FINANCIAL PROPOSALS FOR CAPITAL WORKS PROJECTS

76. Members noted that the subject had been discussed at the PWSC meeting on 19 December 2001, following which a consultation exercise was conducted among members of PWSC on the proposed arrangements for Panel consultation on financial proposals for capital works projects.

77. Ms Emily LAU objected to the recommendations as set out in paragraphs 10 and 11 of the paper although it had the support of the majority of PWSC members as revealed in the consultation exercise. She reiterated her view that the PWSC should be the principal forum for deliberation of all financial proposals on capital works projects where members could discuss the merits, policy aspects and implementation details of the proposals. As it might not be practicable for a member to attend all Panel meetings where financial proposals were discussed, Ms LAU disagreed with the recommendation that the merits and policy aspects of a proposal should be discussed at the relevant Panels while the PWSC should focus its discussion on the technical aspects and implementation arrangements. She considered that such an approach would constrain members' deliberation on financial proposals on capital works projects.

78. Ms Cyd HO observed that some interfacing problems had arisen between consultation at Panels and consideration by PWSC. She pointed out that very often, the Administration had not duly reflected the views and concerns raised by members at the Panel meeting in the relevant PWSC/Finance Committee (FC) paper. She urged that in future submissions, the Administration should provide a fuller account of members' views and concerns and where necessary, the Administration's reasons for not accepting members' suggestions raised at Panel meetings. Ms HO also disagreed that discussion at PWSC/FC should be circumscribed. However, she suggested where practicable, the Chairman or Deputy Chairman of the relevant Panel should attend the FC/PWSC meetings where the financial proposals in question were considered and advise members of the Panel's deliberations where necessary.

79. Mr CHAN Kam-lam appreciated that it might be difficult for a member to attend all Panel meetings for considering financial proposals. However, he considered the existing mechanism of prior consultation at Panels an effective arrangement to prevent lengthy and repetitive discussion at PWSC meetings. Mr CHAN said that members who were unable to attend the relevant Panel meeting should find out the outcome of the Panel's deliberation and where necessary, seek clarification or further information on the financial proposals in advance of the PWSC/FC meeting where the proposals were

considered.

80. Summing up, the Chairman said that the recommendations of the PWSC set out in paragraphs 10 and 11 of the paper would be referred to the Committee on Rules of Procedure (CroP) for further examination of their implications on the inter-committee relationship of the LegCo before a decision was made by the FC. Members' views expressed at this meeting would also be conveyed to CroP for further consideration. Members agreed.

81. The Committee was adjourned at 2:25 pm.

Legislative Council Secretariat

November 2002