

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 9th meeting
held at the Legislative Council Chamber
on Friday, 27 May 2005, at 2:30 pm

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Bernard CHAN, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP

Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH
Dr Hon Joseph LEE Kok-long
Hon Daniel LAM Wai-keung, BBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon LEE Cheuk-yan
Hon CHAN Yuen-han, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon WONG Yung-kan, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon MA Lik, JP

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)

Ms Annie CHOI	Deputy Secretary for the Environment, Transport and Works (Transport)
Miss LUI Ying	Principal Transport Officer of Transport Department
Mr Larry LI	Project Manager of Electrical and Mechanical Services Department
Mr Thomas TSO, JP	Deputy Secretary for Housing, Planning and Lands (Planning and Lands)
Mr AU YEUNG Ping-kwong	Deputy Director of Lands (Survey and Mapping)
Mr CHENG Wai-pun	Chief Land Surveyor of Lands (Land Information Centre)
Miss CHEUNG Siu-hing	Deputy Secretary for Security
Ms Winnie NG	Principal Assistant Secretary for Security
Mr Victor LO	Assistant Commissioner of Police (Crime)
Mrs Bonnie SMITH	Assistant Commissioner of Police (Information Systems)
Mr Isaac LO	Senior Superintendent of Police (Identification Bureau)
Mr HUI Kai-ling	Chief Systems Manager of Hong Kong Police Force (Information Systems)

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Ms Caris CHAN	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 1 - FCR(2005-06)8

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

Transport Department

- ♦ **New Subhead “Replacement of the High Voltage and Low Voltage Switchboards, Transformers and Associated Power Supply Equipment of the Electricity Supply and Distribution System in the Aberdeen Tunnel”**

The Chairman informed members that the Panel on Transport was consulted on the proposal at its meeting on 25 February 2005.

2. Mr LAU Kong-wah, Chairman of the Panel on Transport, said that the Panel did not object to the funding proposal being directly submitted to the Finance Committee for approval.
3. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2005-06)9

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Lands Department

♦ **New Subhead “Replacement of Computerized Land Information System”**

4. The Chairman informed members that the Panel on Planning, Lands and Works had noted the information paper circulated by the Housing, Planning and Lands Bureau at its meeting on 26 April 2005.
5. Referring to the supplementary information paper tabled at the meeting, the Chairman noted that the revenue of \$5.65 million from the sale of digital maps for 2004-05 was much less than the project revenue of \$10 million as set out in the funding proposal FCR(1994-95)117 in February 1994. The Deputy Secretary for Housing, Planning and Lands (Planning and Lands) (DS(PL)) explained that the revenue from the sale of digital maps in 1996-97 and 1997-98 amounted to over \$14 million when the property market was at its peak. However, there was a significant drop in the sale of digital maps due to the downturn in the local economy in the late 1990s and the slump of the property market. The sale revenue had since remained steady between \$4 million to \$5 million and formed the basis for the latest forecast for 2004-05 at \$5.65 million. The Chairman appreciated the efforts made by the Administration in explaining the deviations and requested that such information should be provided in the paper.
6. Mr LEUNG Kwok-hung held the view that public resources should not be used for the provision of digital maps which were meant to facilitate property developers in conducting their business. DS(PL) clarified that this was not the case. The provision of digital maps was intended to provide geographical data in support of the functions and activities of Government departments and consultant firms. While these maps were also available for public sale, the main purpose of the sale was not intended to generate revenue but was provided as a service to the public.
7. Ms Audrey EU enquired about the disposal of the obsolete computer hardware resulting from the replacement of the Computerized Land Information System (CLIS). She asked if these would become electronic waste and if so, how they should be dealt with. The Deputy Director of Lands (Survey and Mapping) said that the obsolete computer hardware would be collected by the Government Logistics Department (GLD) and would be disposed of through public auction. Ms EU sought an undertaking from the Administration that obsolete computer hardware would not be disposed of at landfills. DS(PL) said that in the case where the computer hardware

could not be sold at the public auction, GLD would follow the established guidelines for disposal. The Permanent Secretary for Financial Services and the Treasury (Treasury) added that as with other personal computers, the obsolete computer hardware would either be sold at public auctions or donated to charitable organizations. The Chief Land Surveyor of Lands (Land Information Centre) (CLS(LIC), Lands D) said that there was a market for used computers and these would be bought by recyclers for sale to Third World countries.

8. Mr Albert CHENG held the view that obsolete computer hardware from Government departments should not be sold because they might contain sensitive information which could be retrievable. He pointed out that the disposal of used computers of the Inland Revenue Department (IRD) had resulted in the disclosure of confidential tax information. CLS(LIC), Lands D said that as CLIS was used by the Survey and Mapping Office for the provision of digital maps which were available for public sale, the disposal of the obsolete hardware would not involve disclosure of confidential information. In response to members, the Administration would provide a supplementary information paper explaining the established procedure for disposal of obsolete computer hardware and the steps taken by the Administration to ensure the protection of data before disposal.

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9. Ms Audrey EU requested that in future, the Administration should set out the means of disposal of obsolete hardware in the funding proposals for replacement of computer systems. She further enquired how the computer data in the obsolete hardware should be dealt with. CLS(LIC), Lands D advised that the computer data stored in the old system would be transferred to the new system, and any remaining data in the old system would be removed before arrangements for disposal were made.

10. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2005-06)10

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Hong Kong Police Force

- ♦ **New Subhead “Computer Assisted Palmprint and Fingerprint Identification System”**

11. The Chairman informed members that the Panel on Security was consulted on the proposal at its meeting on 15 April 2005.

12. Mr James TO, Chairman of the Panel on Security, said that the Panel supported in principle the proposed installation of the Computer Assisted Palmprint and Fingerprint Identification System (CAPFIS) of the Hong Kong Police Force to replace the Computer Assisted Fingerprint Identification System (CAFIS) for the effective operation of fingerprint searching and matching processes to meet the needs of law enforcement agencies.

13. Noting that CAFIS had to be replaced because it would reach its maximum capacity on the one hand and the sole supplier had discontinued production of the hardware on the other, Mr James TO asked if the Administration could foresee such eventuality when CAFIS was first installed in 1997. The Deputy Secretary for Security (DS(S)) answered in the affirmative. She explained that the planning for installation of a new computer system was based on a service life of 10 years. This was usually accompanied by a maintenance contract for the same period, during which the supplier would need to provide maintenance service even though it might have discontinued the production of the hardware.

14. Mr James TO failed to understand why a computer system which was installed in 1997 would need to be replaced so soon. He said that computer systems designed in the late 1990s were already very advanced and there should be room for upgrading which would allow extension of service lives beyond 10 years. He questioned whether CAFIS was flawed from the start and if so, whether anyone should be held responsible for the decision to install the system. Sharing similar concern, Mr SIN Chung-kai said that he found it hard to accept that the service life of CAFIS was so short. Unlike personal computers whose service lives were a few years, mainframe computer systems of the scale of CAFIS would usually last way beyond 10 years as in the case of CLIS which had been in use by the Lands Department since 1989. He asked if the Administration had under-estimated the capacity requirement of CAFIS in the first place.

15. In response, DS(S) explained that there were not many fingerprint identification systems to choose from in the late 1990s. When CAFIS was procured in 1997, it had to use the proprietary model prevailing at the time which was subject to certain copyright restrictions. With the recent advancement in computer technology and the adoption of the present open industry standard, the proposed new computer system would allow for greater flexibility for upgrading. There was also no under-estimation on the usage of CAFIS which would be approaching its estimated service life of 10 years. The Assistant Commissioner of Police (Information Systems) supplemented that unlike CAFIS in which the matching technology was provided in the hardware, the proposed CAPFIS would be using its software for matching and would not therefore be affected by discontinued production of hardware by its supplier. The said software could be upgraded and updated to cope with advancement in fingerprint/palmprint matching technology. The proposed CAPFIS would conform to international standards and allow for better exchange of intelligence among local and overseas law enforcement agencies. It would have a faster processing speed, thereby enhancing search efficiency. An added feature of the system was its ability to handle palmprints, on top of fingerprints.

16. Mr James TO however pointed out that the open industry standard had already come into force in 1997. Noting that the rate of increase of fingerprint data was only about 5% per annum, Mr SIN Chung-kai opined that CAFIS could be expanded rather than replaced, particularly when it had yet to reach its design capacity. He questioned the real reason behind the replacement of CAFIS. DS(S) said that CAFIS would need to be replaced as it was expected to reach its maximum capacity in 2008. Besides, the sole supplier for the existing CAFIS had discontinued production of the

hardware. It was therefore proposed that CAFIS be replaced by CAPFIS which was more efficient and effective. Chief Systems Manager of Hong Kong Police Force (Information Systems) (CSM(IS), HKPF) added that as CAFIS was specially designed, replacement parts for the proprietary model were not available in the market and hence the need to replace the system.

17. Given that the warranty period of 10 years for CAFIS was still in effect, Mr SIN Chung-kai said that the sole supplier should have the responsibility to maintain and upgrade the system during the warranty period. It should also give prior notification and make proper arrangements before discontinuing the production of spare parts for CAFIS. DS(S) explained that the sole supplier had informed the Police in 2002 that it would cease production of the hardware. CSM(IS), HKPF added that while the supplier was required to maintain and repair CAFIS for a period of 10 years under the terms of the service contract, there were no provisions requiring the supplier to upgrade CAFIS when this had reached its design capacity.

18. Dr LUI Ming-wah acknowledged the rapid advancement in fingerprint technology in recent years. To ensure that the proposed replacement was value for money, he said that a comparison should be made on the accuracy, efficiency and capacity of the old and new systems. If it was found that the new system would surpass the old system in all three aspects, it would be worthwhile to proceed with the replacement since a lot of time and resources would be saved as a result. DS(S) advised that while the existing CAFIS was able to store 1.1 million tenprints, the proposed CAPFIS would be able to store 2.1 million tenprints and 0.85 million palmprints. In processing a latent fingerprint for crime investigation, the proposed CAPFIS was capable of producing search results in 10 minutes while the existing CAFIS would need 40 minutes. The existing CAFIS maintained an accuracy rate of 80% for the search of latent prints against the tenprint database, but the proposed CAPFIS would be able to improve it to 90%.

19. While indicating support for the replacement of obsolete computer systems, Mr Howard YOUNG enquired whether the 10-year service life referred to that of the hardware, software or the maintenance service. He opined that with the rapid advancement of computer technology, 10 years would be a long age for computer systems. DS(S) said that the 10-year service life pertained to the hardware of CAFIS where most of the searching and matching functions were carried out. The proposed CAPFIS would allow for upgrading and would have more reliance on software.

20. Mr Albert CHENG was concerned about the need to ensure the protection of confidential data stored in the hardware of CAFIS which would be disposed of. DS(S) said that the Administration was keen to protect the records in CAFIS as they related to personal data. Prior to the disposal of CAFIS, the Police would erase data from the storage media of CAFIS system by way of degaussing. A degausser would erase a media by exposing it to a strong direct current magnetic field. This would drive the media into saturation and effectively erase all information, including the server and maintenance information of the hard drives. After the information had been erased, the Police would arrange for computer hardware recovery and recycling services to dispose of the old CAFIS equipment in an environmentally responsible

manner in accordance with established procedures and would consult the Environmental Protection Department where necessary.

21. Mr Albert CHENG said that he was more concerned about the disclosure of confidential information as according to some computer specialists, information contained in the hard drives could be retrievable even though these had been degaussed. CSM(IS), HKPF assured members that the exposure of the hardware to a strong direct current magnetic field by way of a degausser would effectively erase all information. The degaussing method had been in use for years and was considered the most effective means of removing information from computer systems.

22. Noting that the fingerprint identification systems would allow for better exchange of intelligence with overseas agencies, Mr James TO enquired about the number of such exchanges per year and the degree of crimes which justified these exchanges. DS(S) said that in 2004, fingerprints were sent to overseas law enforcement agencies recognized by the Interpol on no more than 40 occasions. The Assistant Commissioner of Police (Crime) supplemented that fingerprints had been provided to other agencies on 39 occasions, which would be very useful in identifying the crime suspects. To facilitate investigation of crimes committed overseas by Hong Kong residents, latent prints collected from scenes of crime or exhibits would be sent to Hong Kong Police Force (HKPF) for record search against its fingerprint databases. Likewise, HKPF would send latent prints of crime suspects to overseas counterparts for matching and searching. While HKPF would perform fingerprint searches at the request of overseas counterparts, it would not seek to reveal its fingerprint database which was confidential.

23. Mr James TO considered it necessary to monitor the exchange of fingerprints with overseas agencies and requested the Administration to provide the number of such exchanges in the first five years after installation of CAPFIS. He also pointed out that apart from facilitating crime investigation, the proposed CAPFIS would also provide an important ancillary service in relation to the applications for Certificates of No Criminal Conviction for emigration purposes. As such, the Administration would need to explain more clearly the operation of the system when it was in place. While agreeing to provide the required information, DS(S) said that the subject should best be dealt with by the Panel on Security.

24. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2005-06)11

Finance Committee, Establishment Subcommittee and Public Works Subcommittee

25. The Chairman said that the item invited members to consider the proposed amendments to the Finance Committee, the Establishment Subcommittee and the Public Works Subcommittee Procedures on the ringing of division bell.

26. At the Chairman's invitation, the Clerk briefed members on the proposed arrangement on the ringing of division bell by highlighting the salient points in the information paper.

27. Ms Miriam LAU expressed support for the proposed extension of the duration of the division bell to two minutes, which in her view would be more efficient in view of the large number of financial proposals to be voted on.

28. The Chairman put the item to vote. The Committee approved the proposal.

29. The meeting was adjourned at 3:35 pm.

Legislative Council Secretariat

31 August 2005