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Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 18th meeting
held at the Legislative Council Chamber
on Friday, 6 July 2007, at 5:40 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon Bernard CHAN, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Jeffrey LAM Kin-fung, 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 KWONG Chi-kin
Hon TAM Heung-man

Members absent:

Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon James TO Kun-sun
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, SBS, JP
Dr Hon YEUNG Sum, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Albert CHAN Wai-yip
Hon Vincent FANG Kang, JP
Hon LEE Wing-tat
Hon Daniel LAM Wai-keung, SBS, JP
Hon MA Lik, GBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG, JP

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Amy 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)

Miss Denise YUE, GBS, JP	Secretary for the Civil Service
Mr Andrew WONG, JP	Permanent Secretary for the Civil Service
Mr K S SO, JP	Deputy Secretary for the Civil Service 2
Mrs Cherry TSE, JP	Commissioner for Labour
Mr Stanley NG	Assistant Commissioner for Labour (Employees' Rights and Benefits)
Ms Femia LAU	Senior Labour Officer (Employees' Compensation)
Miss Rosanna LAW	Principal Assistant Secretary for Transport and Housing (Transport)
Mr LAU Ka-keung, JP	Deputy Commissioner for Transport/Planning and Technical Services
Mr SO Yam-tat	Chief Engineer/Traffic and Transport Survey
Mr Blake D M HANCOCK	Chief Superintendent of Police, Traffic Branch Headquarters, Hong Kong Police Force
Mr CHOW Kwok-kee	Chief Inspector of Police, Law Revision and Projects, Traffic Branch Headquarters Hong Kong Police Force
Mr Francis HO, JP	Permanent Secretary for Commerce and Economic Development (Communications and Technology)
Mr Kevin CHOI	Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology) A
Ms Maisie CHENG	Commissioner for Television and Entertainment Licensing

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
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

The Chairman said that the current meeting was held to deal with the unfinished business carried over from the last meeting held on the same day at 3:00 pm. She advised members that she had just received a request from Dr Hon Fernando CHEUNG for moving a motion at the meeting. The motion aimed to express a view on what the Administration should do in relation to the implementation and application of the arrangements in FCR(2007-08)26. As no procedure had been provided in the Finance Committee (FC) Procedure for dealing with motions moved without notice, she would discuss with the Clerk on the procedure to deal with Dr CHEUNG's request and would deal with it after all members had spoken on the item. Dr CHEUNG agreed.

Item No. 2 - FCR(2007-08)26

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 13 AND 22 JUNE 2007**

**EC(2007-08)7 Proposed application of the findings of the 2006 Starting
Salaries Survey to the Civil Service**

2. The Chairman invited members who had indicated intention to speak at the earlier meeting to raise their questions. Miss CHAN Yuen-han expressed concern that the application of the findings of the 2006 Starting Salaries Survey (SSS) to the civil service had led to much dissatisfaction among civil servants and staff of subvented organizations alike. The proposed conversion arrangement had given rise to the problem of equal work with unequal pay among serving civil servants who were appointed to the entry ranks on or after 1 April 2000 and were continuing to serve on these ranks (hereafter referred to as affected serving civil servants). Under the proposed conversion arrangement, a civil servant who had worked in the civil service for five years would receive the same salary as a new recruit joining the civil service in 2007 after the proposed new starting salaries took effect. She enquired about the measures which the Administration would take in resolving the unfairness associated with the conversion arrangement. She also questioned why the Standing Commission on Civil Service Salaries and Conditions of Service (the Standing Commission) had only been invited to conduct a review of the salary structures of the Government Counsel grade but not other grades of the civil service. SCS advised that apart from reviewing the salary structures of the Government Counsel grade, the relevant advisory bodies would also review the salary structures of selected civilian and disciplinary grades of the civil service, in particular, grades which had encountered recruitment and retention difficulties. Consultation would be held with the staff sides of the four central consultative councils and representatives of four service-wide civil service unions. Miss CHAN however held the view that if a review was to be conducted on salary structures, it should apply to all grades within the civil service and not be confined to the Government Counsel grade and certain other grades for the sake of equity.

3. Mr WONG Kwok-hing said that while the proposed increases in starting salaries were worth supporting, this had created unfairness and divisiveness within the civil service and the subvented sector. He also shared Miss CHAN Yuen-han's concern that it was unfair for the Standing Commission to only conduct reviews of the salary structure of the Government Counsel grade and a few other grades and not across the board. SCS said that the normal conversion arrangement would apply to all serving civil servants, including Government Counsels. Since there were over 400 grades within the civil service, it was not possible to conduct reviews of all grades. Consultation would be held with the staff associations on the grades which would be accorded priority in the conduct of reviews of salary structures.

4. Mr CHEUNG Man-kwong said that the proposed conversion arrangement had led to much dissatisfaction from affected serving civil servants and teaching/non-teaching staff in the aided school sector. Under the proposed conversion arrangement, a serving teacher who had worked in an aided school for more than five years would be given one additional pay point at most and this would mean that he would be paid only one pay point higher than that of a new teacher appointed in 2007 after the revised starting salaries took effect. He said that while other Members of the Democratic Party would vote for the proposed increases in starting salaries of the civil service, he had sought permission from the Party to abstain from voting because he was not in favour of the proposed conversion arrangement which failed to take into account the years of service of serving staff. He urged the Administration to consider taking remedial measures to resolve the dissatisfaction of affected serving civil servants and teaching/non-teaching staff in the aided school sector. These included offering incremental salary points in recognition of their years of service. He also requested that the salaries for teaching staff with bachelor/master degrees be suitably adjusted in recognition of their academic qualifications.

5. Mr LEE Cheuk-yan was concerned about the Administration's stated position that it could not uphold the principle of "equal pay for equal work" in subvented organizations since their salary structures were delinked from the civil service. He said that the disparity in pay had aroused much dissatisfaction among staff of subvented organizations as they received much lower salaries than their counterparts in the civil service. The lower salary scales of subvented organizations had resulted in the departure of a large number of staff, thereby undermining the stability of these organizations. He also enquired if additional funding would be provided for the universities in the context of the present salary revision exercise and whether the salaries of medical doctors in Hospital Authority (HA) would be adjusted upwards by five salary points, in line with the starting salaries of the civil service. SCS said that as with any employers, subvented organizations would need to formulate appropriate salary structures for their employees having regard to the prevailing market situation in order to attract persons with the right calibre to join their service. As regards funding for the eight publicly funded universities which had delinked their salary structures from the civil service since 2003, she said that no adjustments would be made as a result of the 2006 SSS because the Government's funding to them had not been reduced because of the reduction of starting salaries for the civil service in 2000 following the 1999 SSS. On the funding for HA, she said

that funding for 2007 would be increased to make up for the reductions in the Government's funding to HA following the reduction of starting salaries for the civil service in 2000.

6. Mr LEUNG Kwok-hung said that the Administration, as part of its governance, should oversee the salary structures of subvented organizations which had taken up part of the Government's duties in the provision of services. He said that the Government should be held responsible if staff of subvented organizations were to take judicial proceedings or to protest on the streets against the unfair and divisive salary structures.

Moving of motions without notice

7. The Chairman invited members to refer to the motion intended to be moved by Dr Hon Fernando CHEUNG and seconded by Mr LEE Cheuk-yan. The wording of the motion was tabled at the meeting, as follows -

"That this Committee urges that the Government should provide subvented organizations with sufficient funding for raising the entry pay points of their staff to uphold the principle of "equal pay for equal work" and to avoid widening the salary gap between civil servants and staff members of subvented organizations, and monitor such organizations so that they should use the funding entirely for raising the entry pay points of their staff."
(Translation)

8. As there were no procedures governing the moving of motions without notice at FC meetings, the Chairman said that she would make reference to the procedures adopted by other committees of the Legislative Council in dealing with similar situations. In this respect, she noted that the House Rules (HR) 22(p) had provided a procedure regarding the moving of motions without notice during Panel meetings. She proposed that she would allow the motion to be dealt with if it was considered by her as directly related to the agenda item being discussed. If it was agreed by a majority of the members present that the motion should be dealt with at the meeting, she would allow the motion to be moved and debated. She proposed that each member would not speak for more than two minutes on the motion and could not speak more than once. When no more members wished to speak, she would put the question to vote. The Chairman advised members that she considered that Dr Fernando CHEUNG's motion was relevant to the financial item under discussion. She asked members if they would agree to deal with the motion immediately. Members agreed.

9. In response to Mr Bernard CHAN's enquiry, the Clerk explained that in view of the absence of a procedure to deal with the moving of motions without notice in the FC Procedure, the Chairman could make reference to the procedure and practice in other committees of the Council and propose to FC an arrangement which she considered appropriate for its adoption. The Establishment Subcommittee (ESC) had faced a similar situation on 13 June 2007. The Chairman of ESC had made reference to HR22(p) and proposed a procedure for adoption by the Subcommittee in dealing

with a motion moved without notice. The procedure was accepted by the Subcommittee. One of the considerations was that the motion in question was in essence an expression of views and would not affect the substance of the proposal. Any proposal to amend a financial proposal must come from the Administration. As regards the timing for dealing with the motion in question, the Clerk explained that it should be dealt with before the financial proposal was put to vote as no members would be allowed to speak on the proposal after the question on the proposal had been put.

10. The Chairman invited members to speak on the motion. Dr Fernando CHEUNG said that the purpose of his motion was to urge the Government to provide sufficient funding for subvented organizations to raise the entry pay points of their staff to uphold the principle of "equal pay for equal work", narrow the salary gap between civil servants and staff of subvented organizations and ensure that the funding would be used entirely for raising the entry pay points of their staff. Mr LEE Cheuk-yan said that while the funding for HA would be increased to make up for the reductions in 2000, this would not be sufficient to provide HA staff with similar salary increases as that of the civil service. There was a need to ensure that sufficient funding was provided to the subvented sector so that they could be able to provide reasonable remuneration packages to retain their staff. Mr WONG Kwok-hing said that while he would vote for the proposal, he remained concerned about the problem of "equal work and unequal pay". He proposed to amend the motion such that the detailed minutes of the present meeting should be forwarded to the Chief Executive and the Standing Commission for their consideration. The Chairman advised that a phrase “, and that the Committee should forward the detailed minutes of today's meeting of this Committee to the Chief Executive and all members of the Standing Commission on Civil Service Salaries and Conditions of Service for their consideration (Translation)” be inserted after the last sentence of the original motion.

11. The Chairman invited comments from SCS on the motion and the proposed amendment. SCS said that while she had no objection to the amendment proposed by Mr WONG Kwok-hing, she could not agree to the original motion moved by Dr Fernando CHEUNG as the Administration was not in a position to interfere with the salary structures of subvented organizations which had already been delinked from the civil service.

12. The Chairman put Mr WONG Kwok-hing's amendment to the vote. Members voted in favour of the amendment. The Chairman declared that the amendment was carried.

13. The Chairman then put the motion moved by Dr Fernando CHEUNG as amended by Mr WONG Kwok-hing to the vote. The amended motion was supported by all members present with the exception of Mr Bernard CHAN who voted against the motion. The Chairman declared that the amended motion was carried as follows -

"That this Committee urges that the Government should provide subvented organizations with sufficient funding for raising the entry pay points of their staff to uphold the principle of "equal pay for equal work" and to avoid widening the salary gap between civil servants and staff members of subvented organizations, and monitor such organizations so that they should use the funding entirely for raising the entry pay points of their staff; and forwards the detailed minutes of today's meeting of this Committee to the Chief Executive and all members of the Standing Commission on Civil Service Salaries and Conditions of Service for their consideration."
(Translation)

14. The Chairman put EC(2007-08)7 to the vote. The Committee approved the proposal.

15. The Chairman put FCR(2007-08)26 except EC(2007-08)7 to the vote. The Committee approved the proposal.

Item No. 3 - FCR(2007-08)27

2007-08 CIVIL SERVICE PAY ADJUSTMENT

16. The Chairman informed members that the Panel on Public Service (PS Panel) was consulted on the proposal at its meeting on 25 June 2007.

17. On behalf of the Chairman of the PS Panel who was not present at the meeting, Ms LI Fung-yung, Deputy Chairman of the PS Panel, said that the Panel generally welcomed the proposed civil service pay adjustment as this would allow civil servants to share the benefits of economic recovery. However, there were concerns that the proposed scale of pay adjustment was much higher than that of the private sector, and that the pay adjustment lacked the flexibility to take into account individual performances. The Administration had also been requested to work out mechanisms to review the application of pay adjustment to non-civil service contract (NCSC) staff and staff of subvented organizations, their pay adjustments.

18. Mr LEE Cheuk-yan was concerned that NCSC staff had not been included in the proposed civil service pay adjustment. As some of NCSC staff had had their salaries reduced along with the civil service in previous years, he said that they should receive similar pay adjustments in line with the civil service as otherwise, there would be a widening salary gap between civil servants and NCSC staff, resulting in "equal work and unequal pay" and a lowering staff morale. He also pointed out that it would not be appropriate to leave the matter for the relevant bureaux/departments (B/Ds) to decide because in the absence of additional allocations to the operating expenditure funding envelopes, B/Ds could not be able to make suitable pay adjustments to their NCSC staff. SCS explained that the terms of employment between civil servants and NCSC staff were quite different, the latter had a much higher degree of flexibility. Following the approval of civil service pay adjustment,

she would arrange for guidelines to be issued to the heads of B/Ds on factors to be taken into account when they considered whether or not the salaries of their NCSC staff should be adjusted. These would include, among others, inflation, nature of work, recruitment difficulties, years of service etc bearing in mind that the maximum salary of NCSC staff would not be higher than the mid-point salary of comparable ranks in the civil service. In adjusting the salaries of NCSC staff, the heads of B/Ds would have to take into account that their funding envelopes as no additional provisions would be provided for the purpose. Unlike their counterparts in the civil service, NCSC staff would not have retrospective adjustments in salary.

19. Mr WONG Kwok-hing hoped that in renewing the contracts for NCSC staff, the Administration would adjust their salaries accordingly. He also urged the Administration to enable job stability of NCSC staff as they were in genuine need for continued employment. In this connection, efforts should be made to retain NCSC staff whose services were required in the long term rather than outsourcing the services. He said that NCSC staff who had been employed by B/Ds for a long time and with their contracts renewed many times would suffer immense hardship if their employment was discontinued. SCS said that NCSC staff were engaged on a time-limited basis and their contracts would only be renewed if needs arose. When renewing the contracts of NCSC staff, the heads of B/Ds would have regard to the prevailing market situation and decide on the salary to be offered. Once the time-limited work was completed, no further contracts would be offered to NCSC staff.

20. While acknowledging that additional subventions would be provided to the subvented organizations on the basis of weighted average of pay increase for the civil service, Mr LEE Cheuk-yan noted that it would be up to the subvented organizations to decide whether the additional subventions should be used for pay increase and if so, the extent of the increase because their salary structures had already been delinked from the civil service. In other words, the Administration would have no control to ensure that the additional subventions would be used solely for salary revisions, and not any other purposes. This would be contrary to the current practice of setting minimum salaries for staff engaged in outsourced services.

21. Dr Fernando CHEUNG pointed out that the wastage rate of 15.5% of welfare staff leaving the subvented sector was much higher than that of 2.5% in the civil service. The high wastage rate was attributed to the fact that the salary structures of subvented organizations were delinked from the civil service. As a result, the maximum salary of welfare staff in subvented organizations was only comparable to the mid-point salary of their counterparts in the civil service. He was concerned that if the Administration would just leave the salary adjustment matters entirely to the subvented organizations, they might not use the additional subventions entirely for the present salary revision exercise. There was also a need for clarification on the application of pay adjustment to contract staff or those whose salaries were paid by special funds.

22. SCS said that subvented welfare organizations were provided with lump sum grants on an annual basis. After the delinking of salary structures of the

subvented sector from the civil service, the Administration would not interfere with the salary adjustments of staff in subvented organizations. The pay for staff of subvented organizations was a matter between the organizations as the employers and their employees. It had been the established practice that following a civil service pay adjustment, the Administration would generally adjust the subventions to these organizations on the basis of established formulae. It would be up to the subvented organizations to decide whether to increase the pay of their staff using the additional subventions. As the interests of employees of these organizations were being protected under the Employees' Compensation Ordinance (Cap. 282), the Administration would not interfere with their employer/employee relationships. Some subvented organizations, like the eight government-funded universities, even had their own statutory legislation empowering them to decide on matters such as staff employment. Given that subvented organizations, which were non-profit making and providing services for the public, it was quite unlikely that they would pocket the additional subventions for purposes other than salary adjustments.

23. Dr Fernando CHEUNG requested the Administration to provide details of the accumulative surplus arising from the lump sum grants for subvented organizations in the welfare sector and the rationale for allowing these organizations to set aside 25% of the grants for new projects for uses other than the designated purposes. The Deputy Secretary for Financial Services and the Treasury (Treasury) 1 said that the percentage of grants to be set aside as reserves by the subvented organizations would be a matter to be decided between relevant B/Ds and the organizations. The Permanent Secretary for Financial Services and the Treasury (Treasury) added that under the operating expenditure envelope funding system, bureaux would have the authority to decide on how the funding would be spent, including the allocations of lump sum grants to the subvented organizations in exchange for their services. SCS agreed to relay Dr CHEUNG's request to the Secretary for Labour and Welfare for response.

24. Mr LEUNG Kwok-hung was not convinced that the Government should have no control over the manner in which subvented organizations should use the additional funding for pay adjustments for their staff. He also considered it unfair that no additional provisions were made to B/Ds to allow for salary adjustments of NCSC staff. He said that both NCSC staff and staff of subvented organizations were providing services to the public, but they were not treated fairly in line with the civil service and their salaries were left to be decided by market forces. He requested the Administration to rethink on the pay adjustment proposals, taking into consideration the interests of NCSC staff and staff of subvented organizations.

Motions

25. The Chairman advised members that she had just received requests from Dr Fernando CHEUNG and Mr LEE Cheuk-yan for moving motions at the meeting. Subject to members' agreement, the Chairman said that the similar arrangements adopted earlier in dealing with motions would be applied. Members agreed. The wording of the motions were tabled at the meeting, as follows -

- (a) moved by Dr Fernando CHEUNG and seconded by Mr LEE Cheuk-yan

"That this Committee urges that the Government should monitor subvented organizations to ensure that the organizations concerned will use the funding for pay adjustments entirely on the pay of their employees, which should be implemented in accordance with the principle of "equal pay for equal work"."

- (b) moved by Mr LEE Cheuk-yan and seconded by Dr Fernando CHEUNG

"That this Committee requests that the Government, when adjusting civil service pay, should require all government departments to make the same adjustments to the pay of the 16 000 non-civil service contract staff so as to materialize the principle of "equal pay for equal work"."

26. The Chairman advised members that she considered both motions were relevant to the financial item under discussion. She suggested that the two motions be dealt with jointly in one debate. Before inviting members to speak on the motions, she reminded members that each member would not speak for more than two minutes and could not speak more than once. When no more members wished to speak, she would put the question to vote.

27. Mr LEE Cheuk-yan said that he was disappointed that the Administration had not made any efforts to ensure that subvented organizations would only use the additional subventions for salary adjustments and not other purposes. He asked if the Labour and Welfare Bureau would deal with complaints from staff of subvented organizations regarding the unfairness associated with salary adjustments, adding that a mechanism was needed to ensure the proper use of the additional funding. He also questioned why no retrospective pay adjustments could be made to NCSC staff in line with the civil service, the failure of which would intensify the problem of "equal work and unequal pay". SCS said that as the Pay Trend Survey covered the period from 1 April 2006 to 1 April 2007, it had been the practice for the new salary scales of the civil service to take retrospective effect from the end date of the Survey. However, retrospective salary adjustments, whether upwards or downwards, would not apply to NCSC staff whose salary structures were separated from the civil service. SCS added that the Administration could not agree to the motions to be moved by members as it was not in a position to interfere with the salary structures of subvented organizations which had already been delinked from the civil service. Notwithstanding, the Administration would urge the subvented organizations to use the additional subventions only for salary increase for their staff.

28. The Chairman put Dr Fernando CHEUNG's motion to the vote. Members present at the meeting unanimously voted in favour of the motion. The Chairman declared that the motion was carried.

29. The Chairman then put Mr LEE Cheuk-yan's motion to the vote. Members present at the meeting unanimously voted in favour of the motion. The Chairman declared that the motion was carried.

30. The Chairman put the item FCR(2007-08)27 to the vote. The Committee approved the proposal.

Item No. 4 - FCR(2007-08)28

HEAD 90 – LABOUR DEPARTMENT

♦ **Subhead 700 General non-recurrent**

New item “Injection into the Pneumoconiosis Ex Gratia Fund”

31. The Chairman informed members that the Panel on Manpower was consulted on the proposal at its meeting on 21 June 2007.

32. Mr LAU Chin-shek, Chairman of the Panel on Manpower, said that while the Panel was in general supportive of the proposal, there were concerns about the time required for processing the payment of death grant payable to family members of deceased pneumoconiotics, which was considered too long. The Administration was requested to streamline the procedures so that the payment could be made more expeditiously. Persons who were diagnosed as suffering from pneumoconiosis before 1981 (the pre-1981 pneumoconiotics) should also be entitled to enjoy the medical and healthcare services identical to those accorded to persons diagnosed as suffering from the said disease on or after 1981 (the post-1981 pneumoconiotics). Likewise, medical fee waiver cards should be provided to the pre-1981 pneumoconiotics to facilitate medical treatment at clinics and hospitals of HA, similar to what was being provided to the post-1981 pneumoconiotics. The Administration had agreed to discuss with the Pneumoconiosis Medical Board the means to shorten the lead time for determination of the cause of death and would revert to the Panel in October 2007. Meanwhile, consideration was being given to providing pre-1981 pneumoconiotics with medical fee waiver cards and a decision would be made later in the year.

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

Item No. 5 - FCR(2007-08)29

CAPITAL WORKS RESERVE FUND

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Transport Department

♦ **New Subhead "Expansion of Red Light Camera System, Phase 3"**

34. The Chairman informed members that the Panel on Transport was consulted on the proposal at its meeting on 4 June 2007.

35. Mr WONG Kwok-hing said that he would support the proposal to deter red light jumping. Given the large number of accidents arising from red light jumping, there was a need to expedite the implementation of the proposal. He enquired about the reason for the long lead time for the commissioning of the cameras and whether all the cameras could be commissioned in one go instead of by phases.

36. The Deputy Commissioner for Transport/Planning and Technical Services (DC for TP) said that the Administration was well aware of the public aspiration for the early completion of the project. As the replacement digital cameras would be of the latest design and newest computer technology, proper testing would have to be performed on these new models which would take time. Besides, as tenders would be invited from all over the world, additional lead time would be required to allow tenderers to study the tender specifications before participating in the tender. Sufficient lead time was also required for manufacturing of these cameras which would only commence after completion of the tender exercise and placing of orders. Suitable measures would be taken to minimize traffic inconvenience arising from the installation of 75 red light camera units in 75 locations, some of which might involve the relocation of underground utility pipes. With the commencement of contract in August 2008, it was estimated that the first batch of 30 cameras would be commissioned in August 2009 while the second batch of 30 cameras and the remaining batch of 15 cameras would be completed in April and November 2010 respectively. The proposed implementation programme was considered reasonable by the Administration.

37. Mr WONG Kwok-hing questioned if the contractors could be asked to commission all the 75 cameras by August 2009. DC for TP explained that there were cost implications as well as practical difficulties in doing so because the new cameras were not off-the-shelf products and would need to be customized to suit Hong Kong conditions. From the experience in past projects, only a few cameras could be manufactured each month. Besides, engineering works would have to be carried out at all 75 locations for the installation of cameras. The commissioning of the project by phases would enable the early provision of cameras in some of the locations.

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

Item No. 6 - FCR(2007-08)30

**Head 180 – TELEVISION AND ENTERTAINMENT LICENSING
AUTHORITY**

**◆ Subhead 700 General Non-recurrent
Item 480 Film Development Fund**

39. The Chairman informed members that the Panel on Information Technology and Broadcasting was consulted on the proposal at its meeting on 17 April 2007.

40. Given that the assessment on the commercial viability of films could be quite subjective, Miss TAM Heung-man enquired if there was any objective criterion for assessing the eligibility for the Film Development Fund (FDF). She also enquired about the authorities responsible for approving the applications.

41. The Permanent Secretary for Commerce and Economic Development (Communications and Technology) said that the eligibility and assessment criteria for financing film productions under the expanded FDF had been set out in Enclosure 1 to the Administration's paper. Applications for funding under FDF would be vetted by a Vetting Committee to be set up under the Film Development Council (FDC) and comprising members of FDC and co-opted members from the film sector and other professions who would have expertise and experience in the assessment of the proposed films productions. The Vetting Committee would need to assess the commercial viability of the proposed film productions, and make objective assessment, such as the ability for mass appeal rather than niche market, with a view to ensuring FDF could promote the development of the film industry in Hong Kong. The Vetting Committee would only carry out assessments on the proposed film productions with the presence of a specified quorum of members of the committee.

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

43. As this was the last FC meeting in the current legislative session, the Chairman thanked members, the Administration and the LegCo Secretariat for their cooperation and support over the past year.

44. The meeting was adjourned at 7:13 pm.