

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 19th meeting
held at the Legislative Council Chamber
on Friday, 6 June 2008, at 5:05 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon LEE Cheuk-yan
Dr Hon LUI Ming-wah, SBS, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
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 Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-ye, GBS, JP
Hon CHOY So-yuk, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, 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 Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon KWONG Chi-kin

Members absent:

Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon Bernard CHAN, GBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Dr Hon YEUNG Sum, JP
Hon LAU Kong-wah, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon Daniel LAM Wai-keung, SBS, JP
Dr Hon KWOK Ka-ki
Hon CHIM Pui-chung
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG, JP
Hon TAM Heung-man
Hon Mrs Anson CHAN, GBM, JP

Public officers attending:

Mr Stanley YING, 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 Mary CHOW, JP	Deputy Secretary for Transport and Housing (Housing)
Mr Tony LIU	Chief Manager/Management (Support Services 2), Housing Department

Mr Paul TANG, JP	Permanent Secretary for Labour and Welfare
Ms Carol YIP, JP	Deputy Secretary for Labour and Welfare (Welfare) ²
Miss Nancy LAW, JP	Deputy Director of Social Welfare (Administration)
Mr NG Wai-kuen	Chief Social Security Officer 1 Social Welfare Department
Mr Kenneth NG	Senior Statistician Social Welfare Department
Mrs Jessie TING, JP	Deputy Secretary for Security (1)
Ms Manda CHAN	Principal Assistant Secretary for Security (A)
Mr TAM Yiu-keung, C.M.S.M.	Acting Assistant Commissioner (Intelligence and Investigation) Customs and Excise Department
Mr HO Ka-ying	Senior Staff Officer (Planning and Development) Customs and Excise Department
Mr William WONG	Acting Electronics and Data Communication Manager Electrical and Mechanical Services Department
Mr Jolly WONG	Chief Telecom Engineer (Communications Branch) Hong Kong Police Force
Mrs Apollonia LIU	Principal Assistant Secretary for Security (E)
Mr WONG Fook-chuen	Assistant Commissioner of Police (Crime) Hong Kong Police Force
Mr TO Chun-wai	Assistant Commissioner of Police (Information Systems Wing) Hong Kong Police Force
Mr HUI Kai-ling	Chief Systems Manager (Information Technology Branch) Hong Kong Police Force
Dr CHOI Man-yan	Principal Medical and Health Officer (Surveillance Section) Department of Health
Miss Polly KWOK	Principal Assistant Secretary for Home Affairs (Culture) ²
Mr CHUNG Ling-hoi, JP	Deputy Director of Leisure and Cultural Services (Culture)
Mr CHAN Ki-hung	Curator (Space Museum) Leisure and Cultural Services Department

Clerk in attendance:

Mrs Constance LI

Assistant Secretary General 1

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

Action

Item No. 2 - FCR(2008-09)20

HEAD 62 – HOUSING DEPARTMENT

♦ Subhead 700 General non-recurrent

New item "Rent payment for public housing tenants"

Members resumed deliberation on the above subject which was carried over from the earlier meeting held on the same day at 3:00 pm.

2. Mr Wong Kwok-hing was of the view that the rent payment proposal should be extended to cover all public rental housing (PRH) households including those "well-off" Housing Authority (HA) tenants paying additional rents and tenants of Hong Kong Housing Society (HKHS) Group B estates. He pointed out that the so-called "well-off" households were not high-income families, but mainly families whose second-generation income earners had chosen to live with their parents in support of the Government's policy of promoting mutual family support. These family members' financial contributions brought the total household income to a level that triggered the payment of additional rents. Mr WONG said that to exclude these households from the rent payment proposal was unfair and would also go against the Government's allocation policy introduced to meet the needs of the ageing population. Referring to other concessionary measures proposed in the 2008-2009 Budget such as the rates waiver and the electricity charge subsidy which would benefit all sectors of the community, Mr WONG maintained that the rent payment proposal should cover all PRH tenants.

3. Given the substantial fiscal surplus in 2007-2008, Mr LEE Cheuk-yan was disappointed that the Administration was reluctant to introduce more measures to relieve the inflation pressure on PRH households paying 1½ times net rent. He urged the Administration to consider waiving their payment of one month base rent.

4. Mr LEUNG Kwok-hung declared that he was a PRH tenant paying double net rent. Referring to the package of tax relief measures including the exemption of duties on alcoholic beverages except spirits, the lowering of the corporate profits tax rate, and the one-off reduction in profits tax for 2007-2008, Mr LEUNG expressed disappointment that the disadvantaged groups had received less benefits than the well-off, and questioned the Administration's rationale in handing out more benefits to the better-off sectors of the community.

5. In response, the Deputy Secretary for Housing (DSH) said that having regard to members' views expressed at the Housing Panel meeting on 5 May 2008, the Financial Secretary had extended the scope of the rent payment proposal to cover Elderly Persons' flats in HKHS Group B estates. She further advised that the objective of the Government's housing policy was to ensure fair allocation of scarce housing resources to the most needy persons who could not afford private rental accommodation. As the policy objective of the rent payment proposal was to ease the burden of lower income families, HA tenants whose household income exceeded at least two times of the HA's Waiting List Limits as well as tenants of HKHS Group B estates whose income was higher than HS Group A estates had therefore not been included under the proposal. DSH also pointed out that while certain initiatives in the Budget would benefit all sectors of the community, some relief measures were specifically targeted at helping the disadvantaged groups. Examples included the proposals to pay one-month's rent for lower income public housing tenants, to give one additional month of the standard rate Comprehensive Social Security Assistance (CSSA) payments and allowance for the CSSA and, Disability Allowance recipients respectively, and to make a one-off grant of \$3,000 to Old Age allowance recipients and a one-off injection of \$6,000 into the Mandatory Provident Fund (MPF) accounts of those employees and self-employed persons earning no more than \$10,000 per month. Although PRH households paying additional rents would not be eligible for the one-month rent payment, they would nonetheless enjoy the rates concession in the form of a corresponding reduction in their monthly rents, and other relief measures such as the electricity charge subsidy and the one-off \$6,000 injection into eligible MPF accounts.

6. Mr WONG Kwok-hing remained unconvinced. He maintained that the Administration should review the rent concession policy to cover the so-called "well-off" PRH households in future. In response, DSH highlighted that the rent payment proposal was a one-off waiver, and noted Mr WONG's suggestion for consideration in the event that a similar waiver was to be introduced in future.

7. Dr Fernando CHEUNG noted that about 3 000 CSSA recipients residing in PRH units who were mostly elderly and physically handicapped might not enjoy the full benefit of the one-month rent waiver, as their monthly rental exceeded the upper limit of the rent allowance in CSSA. He was concerned that these PRH tenants might have to top up the shortfall on their own. In response, DSH clarified that tenants who were CSSA recipients would not need to meet the shortfall, if any, as the Government would reimburse the full rent of the flat to HA for the month in question directly.

- Admin 8. Mr LEE Cheuk-yan enquired about the impact of the rent payment proposal on the Consumer Price Index. DSH undertook to provide the necessary information after consultation with the Government Economist.
9. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2008-09)21

HEAD 170 – SOCIAL WELFARE DEPARTMENT

◆ Subhead 179 Comprehensive social security assistance scheme

10. The Chairman advised that the Panel on Welfare Services had been consulted on the proposal on 17 March 2008.
11. Dr Fernando CHEUNG, Chairman of the Panel on Welfare Services, reported that at the Panel meeting held on 17 March 2008 to discuss welfare-related initiatives under the 2008-2009 Budget, the Administration had proposed to adjust the CSSA standard payment rates in accordance with the existing mechanism ahead of the normal annual adjustment cycle in 2008. Dr CHEUNG pointed out that while members generally supported an earlier adjustment, members had not discussed the level of adjustment as the Administration had not provided such details at the meeting. Some members urged the Administration to review the CSSA Scheme and to adjust the CSSA standard payment rates according to the year-on-year movement of the Social Security Assistance Index of Prices (SSAIP) of the latest month.

The CSSA adjustment mechanism

12. While welcoming an early adjustment of the CSSA standard payment rates, Mr WONG Kwok-hing was gravely concerned that the proposed 4.4% increase effective from 1 August 2008 under the present adjustment mechanism could not catch up with the soaring inflation which, according to some economists, might rise to double digit. He enquired whether the Administration had formulated any measures for adjusting the CSSA payments so as to catch up with the rise in prices of consumer goods.
13. Ms LI Fung-ying and Miss CHAN Yuen-han shared the concern that the present CSSA adjustment mechanism could not keep pace with the soaring inflation. They urged the Administration to introduce a catch-up mechanism to ensure that CSSA standard payment rates would accurately reflect the latest price movement and would not lag behind inflation.
14. The Permanent Secretary for Labour and Welfare (PSLW) said that the current CSSA adjustment mechanism should help reduce the inflation impact on CSSA households. An established mechanism had been put in place to review and update the weighting system of SSAIP on a regular basis. Moreover, the existing

adjustment mechanism provided the flexibility of making adjustment ahead of the normal annual adjustment cycle, where necessary. PSLW highlighted that the Administration was fully aware of the inflationary pressure on CSSA households and would closely monitor consumer price movements and the movements of SSAIP. Funding for upward adjustment would be sought if inflation continued to trend up. This was why following the last upward adjustment of 2.8% on 1 February 2008, the Administration had proposed an additional 4.4% increase in CSSA standard payment rates to take effect from 1 August 2008 for members' approval. PSLW said that the Legislative Council would be briefed again on the SSAIP movements in relation to an CSSA adjustment by the end of 2008. Moreover, the relief measures announced in the 2008-2009 Budget such as the one additional month of CSSA payment at the standard rate, and one additional month of Disability Allowance payment would soon be implemented to relieve needy families of inflationary pressure.

15. As regards members' concern about the CSSA standard payment rates lagging behind inflation, PSLW recapped that to avoid putting CSSA recipients in the position of only catching up with past inflation on a reactive basis, an inflation forecast methodology for adjusting standard payment rates on a projected rate of inflation was introduced in 1989. However, in the event of a significant over-estimation in the forecast inflation, it would be difficult for CSSA recipients to adapt to a significant downward adjustment of the payment rates in the following year to make up for the previous year's over-adjustment. In view of this inherent problem and having regard to the observations and recommendations of the Director of Auditor in 1999, the Administration did not consider it appropriate to revert to this methodology.

16. Mr WONG Kwok-hing and Ms LI Fung-ying opined that to enhance transparency, the Administration should set objective indicators and parameters as the basis for triggering the adjustment mechanism for standard CSSA payment rates. In response, PSLW highlighted the importance of flexibility and said that the current CSSA adjustment mechanism, with the flexibility of making adjustment ahead of the normal cycle, should enable CSSA households to cope with inflation.

17. Noting that the last revised rates on 1 February 2008 had already taken into account the 12-month moving average of SSAIP up to 31 October 2007, Mr LEE Cheuk-yan questioned the Administration's rationale to base the proposed 4.4% increase on the 12-month moving average of SSAIP up to 30 April 2008. He suggested that consideration be given to adjusting the CSSA standard payment rates according to the year-on-year movement of the SSAIP of the latest month or the six-month SSAIP average for the period 1 November 2007 to 30 April 2008.

18. In response, PSLW pointed out that price fluctuations in one single month might not necessarily reflect the inflationary trend and might lead to over or under adjustment. He reiterated that the 12-month moving average of SSAIP, which took into account the impact of seasonal factors on consumer price index, would provide a better and more reliable basis for adjustments. As such, the Administration did not see the need for changing the existing adjustment mechanism. The Senior

Statistician, Social Welfare Department (Sr Stat/SWD) supplemented that it was a common practice in statistical compilation to use moving averages as basis for reference, such as in compiling the unemployment rate. He said that under the established mechanism, CSSA rates adjustment would be made with reference to the 12-month moving average of SSAIP when significant changes in prices, either upward or downward, was registered during a specified time period.

19. Mr LEE Cheuk-yan remained unconvinced. He remarked that paragraph 6 of the Administration's paper (FCR(2008-09)21) was misleading in stating that the proposed 4.4% adjustment took account of SSAIP movements from 1 November 2007 to 30 April 2008, when in actual fact the 12-month moving average of SSAIP was used to calculate the adjustment rates. Given the soaring inflation in recent months, Mr LEE considered that the Administration had down-played the inflationary pressure on CSSA households by using the 12-month SSAIP average instead of the six-month SAIP average. He maintained the view that the Administration should revise the adjustment rates with reference to the six-month SAIP average and propose a higher adjustment level.

20. In response, the Permanent Secretary for Financial Services and the Treasury and the Deputy Director of Social Welfare (Administration) (DDSW(A)) restated that using the 12-month moving average of SSAIP for determining adjustment rates was in line with the widely adopted practice in statistical compilation. They explained that as the 1 February 2008 adjustment had taken account of the SSAIP movement up to 31 October 2007, the subsequent adjustment would therefore take into account price changes in the six-month period that followed, i.e. from 1 November 2007 to 30 April 2008. In response to Mr LEE Cheuk-yan's enquiry about the SSAIP for each month from 1 November 2007 to 30 April 2008 and the average SSAIP for the said period, Sr Stat/SWD agreed to provide the information after the meeting.

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The CSSA standard payment rates

21. Mr WONG Kwok-hing considered the current CSSA standard payment rates too meagre and the proposed adjustment rates insufficient in coping with inflation, in particular the sharp rise in food prices. Mr LEUNG Kwok-hung shared a similar view. Referring to the recent spate of industrial actions in overseas countries and the recent protests staged by workers in the transportation industry, Miss CHAN Yuen-han cautioned that public discontent in the face of inflationary pressure was mounting. These members called for a comprehensive review of the CSSA Scheme, including the level of the standard payment rates. In this regard, PSLW advised that the purpose of the CSSA Scheme was to provide a safety net for the needy. The existing Scheme, underpinned by its established adjustment mechanism, had been working effectively. He considered that a more pragmatic approach would be to formulate specific strategies and well-targeted measures, such as raising the disregarded earnings under the CSSA Scheme to encourage CSSA recipients to seek employment, and assisting able-bodied employable CSSA recipients to re-enter the labour market through training and retraining programmes, etc.

22. Dr Fernando CHEUNG noted that the existing CSSA standard payment rates were based on a 2004-2005 survey on the expenditure pattern of CSSA households in which food expenses represented the largest component at a weighting of 55%. He opined that as the 2004-2005 survey could no longer reflect the present-day circumstances, the standard payment rates based on the outdated survey could no longer keep pace with prevailing inflation. Given the rise in food prices in the past 18 months, Dr CHEUNG considered that food expenses might have now taken up more than 55% of CSSA household expenses and the standard payment rates should therefore be increased accordingly. He called on the Administration to conduct a survey on the expenditure pattern of CSSA households as soon as practicable, before reverting to the Panel on Welfare Services on CSSA adjustment in the 2008-2009 legislative session.

23. In response, DDSW(A) informed members that household expenditure surveys were conducted once every five years to update the expenditure pattern of CSSA households and that the findings of the 2004-05 survey were broadly similar to those of the previous one. PSLW and DDSW(A) remarked that the survey, together with the 12-month moving average of SSAIP, would provide a solid reference base to bring the standard CSSA payment rates to a reasonable level in tandem with inflation. They noted that the current average monthly payment rates of \$9,451 for a four-member CSSA family was by and large adequate in meeting daily essential needs.

24. Ms Emily LAU did not subscribe to the view that the current CSSA rates could meet recipients' daily expenses. Mr LEUNG Kwok-hung shared similar concern. They opined that instead of relying solely on statistical information, officials should go into the community to acquire first-hand understanding of rising inflation and its impact on the livelihood of grassroots population. Ms Emily LAU also called on the Administration to empathize with needy families and avoid creating discrimination against welfare recipients.

25. In response, PSLW reiterated that the Administration was well aware of the plight of needy families in the face of inflation. Combating poverty was one of the Administration's top policy priorities and all practicable steps under the safety net would be taken to assist needy families. While it was the Government's policy to encourage and assist able-bodied employable CSSA recipients to re-enter the workforce, there was no question of discrimination against welfare recipients. PSLW maintained that the 2.8% adjustment in February 2008 plus the 4.4% adjustment proposed to take effect from 1 August 2008 would enable the level of CSSA payments to keep pace with the rise in inflation. He pointed out that apart from the standard payment rates, other forms of assistance such as annual supplements and non-standard payments in the form of special grants were available to meet the specific needs of individual persons or households.

Other concerns

26. Ms LI Fung-ying held the view that given the recent sharp increase in food prices, the proposed increase of \$10 per month in meal allowance for students attending full-day school was too meagre. Dr Fernando CHEUNG was of the view that the allowances for meals and transport were inadequate in the face of general price rises. Their concern was shared by Mr LEE Cheuk-yan and Ms Emily LAU. PSLW and DDSW(A) explained that the meal allowance referred to by Ms LI was supplemental to the monthly standard payment rates under the CSSA Scheme. The expenses of three meals for every CSSA household member had already been factored into the CSSA standard rates. As such, the supplement should be considered in conjunction with the relevant component in the CSSA standard rates. PSLW added that to assist the needy, the Administration was working closely with non-government organizations on other support initiatives such as setting up food banks.

27. Responding to Ms Emily LAU's enquiry about the \$110 monthly community living supplement (CLS), DDSW(A) advised that in addition to the standard payment rates, the CLS was a monthly supplement payable to persons certified to be severely disabled and who were not residing in institutions to meet the heavier living expenses that they might incur.

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

Item No. 4 - FCR(2008-09)22

CAPITAL WORKS RESERVE FUND

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Customs and Excise Department

♦ New Subhead "Replacement of Radio Communications System of the Customs and Excise Department"

29. The Chairman advised members that the Panel on Security had been consulted on 6 May 2008 on the funding proposal to replace the exiting analogue radio communications system of the Customs and Excise Department (C&ED) by making use of the Unified Digital Communications Platform (UDCP) built on the Third Generation Command and Control Communications System (CCIII) of the Hong Kong Police Force (HKPF). He said that Panel members had expressed concern about the security of the UDCP, the adequacy of the radio coverage, and whether C&ED could operate independently from the communications system of the HKPF. Having noted the Administration's explanation that the UDCP could provide a reliable territory-wide radio network coverage and allow the independent operation of C&ED's radio communications system and that the confidentiality of C&ED's enforcement operations would be safeguarded by the use of secure encryption technology, Panel members did not raise any objection to the proposal.

30. Ms Emily LAU sought elaboration on how C&ED's use of the UDCP would enhance the effectiveness of future joint enforcement operations with the HKPF. In response, the Chief Telecom Engineer (Communications Branch), HKPF (CTE(CB)/HKPF) explained that prior to the setting up of the UDCP, cross-department communications during joint operations was inefficient as C&ED and HKPF had separate radio communication systems. For joint operations with the Police, C&ED had to share the use of the Police's communication apparatus. The UDCP could provide a common communications platform enabling unimpeded cross-department communications and swift overall response to emergencies during joint operations, thereby enhancing the effectiveness of joint enforcement operations.

31. Ms Emily LAU further enquired whether the UDCP could and would be opened up to other law enforcement departments, and whether additional funding would be required to upgrade the UDCP to facilitate participation by other law enforcement departments. The Deputy Secretary for Security (DS(S)) advised that the infrastructure of the UDCP was built on open technological standards which would allow the system to accommodate other participating enforcement departments, if required. The capacity of the radio system could be expanded to cope with increases in the number of users. The system could also be further enhanced and developed in future in the light of the operational needs of user departments. It was therefore up to individual enforcement departments to decide whether to use the common communications platform. DS(S) added that the CCIII had been rolled out in 2006 to cater primarily for communication among frontline police officers. To improve the overall response to emergencies and the effectiveness of enforcement operations, the voice service and the short text service of the CCIII were available to other government departments operating on the common platform of the UDCP. Depending on the operational needs of the participating departments, additional funds might be required for expanding the capacity of and/or making modifications to the existing infrastructure.

32. Dr LUI Ming-wah enquired whether the common communication talkgroups were accessible to individual officers of all the participating departments. He was concerned that excessive access might lead to communications havoc. In response, DS(S) advised that such a problem could not arise as participating departments would operate pre-arranged common talkgroups only when joint enforcement operations were conducted. She added that while providing a common communications platform for multi-agency or cross-department communication during joint operations, the UDCP also allowed the radio communications systems of the respective user departments to operate independently with protection against eavesdropping and unauthorized access by using encryption technology. Each user department would operate its own designated talkgroups when carrying out departmental law enforcements operations under normal circumstances. DS(S) emphasised that the Administration attached great importance to safeguarding the integrity and confidentiality of C&ED's enforcement operations, and would ensure that no sensitive information would be leaked to unauthorized parties.

33. In response to Dr LUI Ming-wah's enquiry about the life span of the new radio system, DS(S) said that the UDCP was supported by mature digital technology that could leverage on continuing technology advancement for further system enhancement to meet the changing needs of the participating departments.

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

Item No. 5 - FCR(2008-09)23

CAPITAL WORKS RESERVE FUND HEAD 710 – COMPUTERISATION

Hong Kong Police Force

♦ New Subhead "Development of the Third Generation of Major Incident Investigation and Disaster Support System"

35. The Chairman advised that the Security Panel had been consulted on 6 May 2008 on the funding proposal on developing the Third Generation of Major Incident Investigation and Disaster Support System (MIIDSS3) of HKPF. Members were supportive of the proposal.

36. Ms Emily LAU sought elaboration on paragraph 7 (d) and (e) of the Administration's paper (FCR2008-09)23) which stated that the MIIDSS3 would bring about improved flexibility in overseas deployment and that the data structure of MIIDSS3 would conform to the Interpol standard on disaster victim identification. In response, DS(S) said that as the existing Second Generation of Major Incident Investigation and Disaster Support System (MIIDSS2) could not connect to overseas communications systems, information obtained in Hong Kong and at the disaster site overseas could not be fed into the system and exchanged electronically on a real time basis. This affected the operational efficiency of law enforcement agencies in handling the aftermath of the disaster. Moreover, MIIDSS2 only catered for manual inputting of data, which was labour-intensive and time-consuming. Furthermore, the MIIDSS2 rolled out in 2001 did not conform with the standard on disaster victim identification introduced by Interpol in 2005. DS(S) further explained that MIIDSS3 would be equipped with commonly adopted and widely compatible communications equipment that would greatly improve its connectivity with overseas telecommunications systems and facilitate disaster relief operations overseas. The data structure of MIIDSS3 which complied with the Interpol standard would also help facilitate the electronic exchange of victim data in the event of a major overseas disaster involving Hong Kong residents.

37. Dr LUI Ming-wah sought details of the proposed non-recurrent expenditure of \$43,980,000. Referring to the breakdown of expenditure by items over a period of four years as set out in paragraph 12 of the Administration's paper, DS(S) highlighted that the non-recurrent expenditure related mainly to the procurement of software and hardware, which accounted for \$23,550,000 and \$11,620,000 respectively.

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

Item No. 6 - FCR(2008-09)24

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

Leisure and Cultural Services Department

**♦ New Item "Design and installation of an integrated exhibition system for
Hong Kong Space Museum"**

39. The Chairman advised that an information paper on the funding proposal to replace all existing aged exhibits in the exhibition halls of the Hong Kong Space Museum (HKSM) had been circulated to members of the Panel on Home Affairs on 6 May 2008. Panel members did not raise any objection to the funding proposal.

40. Mr Howard YOUNG supported the proposal to improve the provision of quality exhibition service to the public and tourists. Referring to paragraph 17 of the Administration's paper (FCR(2008-09)24) which stated that the attendance at HKSM for the first three years after the improvement works was estimated to be increased by 15% to 20% with a corresponding increase in revenue of about \$210,000 to \$280,000 per year, Mr YOUNG noted that the estimated increase in income was not proportionate to the anticipated increase in patronage. He asked whether the difference was due to any planned increase in admission fees. The Deputy Director of Leisure and Cultural Services (Culture) (DDLCS(C)) advised that there was no plan to increase the admission fee and the projected increase in income was mainly based on the estimated increase in patronage of the HKSM.

41. In response to Ms Emily LAU's enquiry about the attendance rate, DDLCS(C) informed members that in 2007, about 780 000 visitors had visited the HKSM and an average of 350 000 visitors had visited the two exhibition halls. He anticipated that more students would visit the HKSM and participate in various educational activities as the replacement and upgrading of the exhibits under the funding proposal would tie in with the new school curriculum on space science and astronomy. DDLCS(C) said that he was confident that after the improvement and renovation works, the attendance would go up by 15% to 20%.

42. Ms Emily LAU noted with concern paragraph 3 of the Administration's paper (FCR(2008-09)24) which stated that about 20% of the exhibits in the HKSM were outdated, and that about 40% of the exhibits had deteriorated to an unacceptable level, with about 65% of the interactive exhibits beyond repair as many spare parts were no longer available. She questioned why replacement and improvement works had not been undertaken earlier, and urged the Administration to regularly update the exhibits to keep pace with the latest development in space science and astronomy. In response, DDLCS(C) said that to avoid closing the exhibition halls and other facilities

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of the HKSM concurrently, in-situ enhancement works on various facilities had been carried out in phases during the past few years.

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

44. The meeting was adjourned at 6:30 pm.

Legislative Council Secretariat
28 October 2008