

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 10th meeting
held at the Legislative Council Chamber
on Friday, 13 February 2009, at 3:00 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Prof Hon Patrick LAU Sau-shing, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yea, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, 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, SBS, JP
Hon WONG Kwok-hing, MH

Hon LEE Wing-tat
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
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon KAM Nai-wai, MH
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king
Dr Hon LAM Tai-fai, BBS, JP
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Hon Tanya CHAN
Dr Hon Priscilla LEUNG Mei-fun
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon WONG Yuk-man
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Members absent:

Hon LI Fung-ying, BBS, JP
Hon CHAN Hak-kan

Public officers attending:

Professor K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Bernadette LINN, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) ¹

Ms Elsie YUEN	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr YUE Chi-hang, JP	Director of Architectural Services
Mr Eddy YAU, JP	Assistant Director of Leisure and Cultural Services (Leisure Services) ³
Mr LEE Yuk-man	Assistant Director of Leisure and Cultural Services (Libraries and Development)
Mr Peter KAN	Chief Executive Officer (Planning) ² , Leisure and Cultural Services Department
Mr SO Kam-shing, JP	Deputy Secretary for Home Affairs (3)
Ms Polly KWOK	Principal Assistant Secretary for Home Affairs (Culture) ²
Mr CHUNG Ling-hoi, JP	Deputy Director of Leisure and Cultural Services (Culture)
Ms Cynthia LIU	Assistant Director of Leisure and Cultural Services (Performing Arts)
Mr Tom MING	Executive Secretary (Antiquities and Monuments), Leisure and Cultural Services Department
Mrs Vicki KWOK, JP	District Officer (Yau Tsim Mong District Office), Home Affairs Department
Mr Enoch LAM, JP	Deputy Secretary for Development (Works) ²
Mr YIP Sai-chor, JP	Head of Civil Engineering Office, Civil Engineering and Development Department
Mr CHAN Chun-shing	Chief Engineer (Fill Management), Civil Engineering and Development Department
Mr Patrick HO, JP	Deputy Secretary for Financial Services and the Treasury (Financial Services) ²
Ms Henden YU, JP	Chief Operating Officer (Enforcement), Mandatory Provident Fund Schemes Authority

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Debbie YAU	Chief Council Secretary (1) ⁶
Ms Angel SHEK	Senior Council Secretary (1) ¹
Ms Alice CHEUNG	Senior Legislative Assistant (1) ¹
Mr Frankie WOO	Legislative Assistant (1) ²

Item No. 1 - FCR(2008-09)60

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 14 JANUARY 2009**

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

Item No. 2 - FCR(2008-09)61

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 7 AND 21 JANUARY 2009**

2. The Chairman put FCR(2008-09)61, except PWSC(2008-09)56, 60 and 65 to vote. The Committee approved the proposal.

**PWSC(2008-09)56 49RG Public library and indoor recreation centre in
Area 3, Yuen Long**

3. The Chairman informed members that the Administration's response to the submission dated 10 February 2009 from the Incorporated Owners of Crystal Park (IOCP), and a letter dated 13 February 2009 from the Yuen Long District Council (YLDC) expressing support for the proposal were tabled at the meeting.

4. Mr WONG Kwok-hing noted the concern expressed by IOCP about the possible screening effects and privacy problem caused by the proposed public library and indoor recreation centre to the residents of Crystal Park, especially those living at lower levels. He enquired how the Administration could minimize possible disturbances to nearby residents.

5. Mr Albert CHAN queried whether the Administration had ever discussed with the affected residents of Crystal Park directly to enhance their understanding of the project design.

6. The Chief Executive Officer (Planning), Leisure and Cultural Services Department said that the proposed conceptual design of the project had been presented to the District Facilities Management Committee of YLDC in the course of public consultation. Enquiries and views of IOCP had been received and the Administration had exchanged views with them on the proposed conceptual design on 4 November 2008. The Assistant Director of Leisure and Cultural Services (Leisure Services) (AD(LS), LCSD) added that the Administration had carefully considered IOCP's suggestion of shifting the proposed building westward away from Crystal Park but noted that it would lead to similar problems to other buildings in the vicinity. To minimize possible screening effects and the problem of privacy on surrounding buildings, the Administration had adopted a streamlined design and a low-rise development of 5 storeys approach for the project. When the District Facilities Management Committee of YLDC was consulted on the project proposal in

November 2008, it had considered the views of IOCP and residents of other nearby buildings, and majority of the members indicated their preference for the Administration to take the proposed project forward in accordance with the current design. In reply to the Chairman, AD(LS), LCSD advised that the shortest distance between the external wall of the new building and the fence wall of Crystal Park was 0.5 metre (m), whereas the shortest distance between the external wall of the new building and Blocks 1 and 2 of Crystal Park would be 11 m and 18 m respectively.

7. Mr WONG Kwok-hing referred to the Administration's written response dated 12 February 2009 to IOCP's submission, and enquired whether the Administration had provided the same explanation to the residents of Crystal Park to allay their worries.

8. AD(LS), LCSD clarified that the residents of Crystal Park had already noted the proposed design in the meeting with them in November 2008. While the current proposal was considered the optimum design achievable, the Leisure and Cultural Services Department (LCSD) would discuss with the Architectural Services Department (ArchSD) to see if the current design could be further fine-tuned to address the residents' concerns.

9. The Director of the Architectural Services (D Arch S) said that there were underground marble cavities in the area of the proposed site which imposed constraints to the foundation design which had taken into account the findings of underground investigation. In this regard, it was not desirable to make major changes to the current design but fine adjustments would be feasible.

10. Prof Patrick LAU envisaged that the visitor flow to the podium of the proposed building would cause some disturbance to the residents living at the lower levels of Crystal Park. He suggested that the Administration should consider enhancing greening and providing cover for the podium.

11. D Arch S responded that the height of the new building's podium (including the fence wall) was lower than the height of Crystal Park's podium, and it was not expected that the users of the new building's podium would pose noise or privacy problem to the residents of Crystal Park. Moreover, windows on the side of the proposed building facing Crystal Park would be provided only where necessary at high level for ventilation purpose. Notwithstanding this, the Administration would consider adopting a more enclosed design for the podium at the detailed design stage.

12. The Chairman enquired whether the size of the proposed building could be scaled down to reduce its impact on Crystal Park's residents. AD(LS), LCSD advised that the standard provision of an indoor recreation centre should at least include two basketball courts. As the podium of the proposed building would be incorporated with greening features, it should not pose privacy problem or adverse visual impact to the residents of Crystal Park.

13. Mr WONG Yuk-man criticized that the Administration had only highlighted the support of YLDC in the funding submission to the Public Works Subcommittee (PWSC), without mentioning the objection of Crystal Park's residents and the outcome of consultation with them. He considered that all dissenting views on the proposal should be included in the funding proposals.

14. The Chairman noted that IOCP had conveyed their concerns to LCSD as early as April 2008 and the Administration should be aware of the concerns of the residents of Crystal Park when it consulted YLDC in September 2008. She asked whether such objections had been satisfactorily resolved.

15. AD(LS), LCSD advised that opinions of stakeholders, including objection expressed by residents of Crystal Park, had been reflected to and considered by YLDC (District Facilities Management Committee) when it was consulted. While funding submission to PWSC normally included the views of relevant district councils and panels of Legislative Council, he agreed that other major concerns and objections received during public consultation could also be included for members' reference.

16. Mr Albert CHAN considered that the information presented in the funding submission was incomplete and misleading, as the strong objection raised by the residents of Crystal Park was omitted. He stressed that the Administration should include dissenting views received on the proposal, to enable the PWSC members to have a full picture in considering the proposal.

17. Mr LEUNG Kwok-hung said that although he had no objection to the provision of a library and indoor recreation centre for the district, he could not support the proposal in view of the objection of the affected residents.

18. The Chairman said that the Administration should have provided in the PWSC paper relevant information including objection of the residents of Crystal Park and YLDC's views in this regard. The Chairman advised the Administration to truly reflect all information on the consultation in future funding proposals.

Admin

19. Ir Dr Raymond HO commented that the Administration had underestimated the sentiments of the residents of Crystal Park. He considered that the Administration should further explain to the residents the project design and the complications in foundation works. As the PWSC Chairman, he had repeatedly reminded the Administration to provide more detailed layout plans and sectional diagrams to enhance stakeholders' understanding of the project design.

Admin

20. Mr LEUNG Yiu-chung expressed grave concern about the way the consultation was conducted. While the residents of Crystal Park had conveyed their concerns to LCSD in April 2008, the Administration did not consult them until November 2008. He considered that the Administration should have sought the views of the affected residents at the initial planning stage so that necessary adjustments could be made to the project design. Mr LEUNG said that he would vote against the proposal and he urged the Administration to give further thought to

address the residents' concerns and then re-submit the proposal to the Finance Committee (FC) for approval.

Admin

21. AD(LS), LCSD reiterated that the concerns of residents of Crystal Park had been fully considered by the District Facilities Management Committee of YLDC. He disagreed that the Administration had misled members on the process and the outcome of public consultation. He pointed out that the proposed building would have impact on the residents of adjacent buildings and the Administration had made endeavours to minimize such impacts. He agreed, nevertheless, that there was room for improvement in the public consultation process, and in the presentation of information in the funding proposal.

22. Mr LEUNG Yiu-chung remained concerned as the Administration did not seem to take consultation seriously by saying that it was inevitable that some residents would be affected by the project. Mr Albert CHAN considered that the funding proposal should be re-submitted to the Panel on Home Affairs and PWSC for consideration.

23. Mr WONG Yuk-man requested the Administration to withdraw the funding proposal as the consultation was inadequate, and the concerns of the residents had not been addressed.

24. While acknowledging the concerns of the affected residents, Prof Patrick LAU suggested that members might consider giving green light to the funding proposal, with the Administration's undertaking to explore ways to enhance protection of privacy for the residents of Crystal Park, such as enhancing greening at the new building's podium.

25. Mr LEUNG Kwok-hung reiterated his objection to the proposal and urged the Administration to resolve the problem of privacy by implementing greening alternatives in place of a landscaped podium. He proposed to adjourn discussion on the item.

26. Mr WONG Kwok-hing and Ir Dr Raymond HO also urged the Administration to withdraw the proposal and conduct further consultation with the affected residents.

Admin

27. In view of members' concerns, AD(LS), LCSD agreed to withdraw the proposal, and to further consult the affected residents in the vicinity on the project design. The proposal was withdrawn by the Administration.

PWSC(2008-09)60 57RE Conversion of Yau Ma Tei Theatre and Red Brick Building into a Xiqu Activity Centre

Relocation of public facilities

28. Mr LEE Wing-tat said that members had raised various concerns on the proposal at the PWSC meeting on 21 January 2009, and had suggested relocating the three existing public facilities, i.e. the public toilet, refuse collection point (RCP) and street sleepers' shelter (SSS) beside the proposed site, as these were incompatible with the future Xiqu Activity Centre (XAC).

29. Ms Cyd HO enquired about the timeframe for relocating the three public facilities. In view of the importance of point-line-facet approach in heritage conservation, she said that the Administration should take into account the overall setting in taking forward heritage conservation projects.

30. Prof Patrick LAU welcomed the Administration's decision to relocate RCP and SSS, and enquired about the new locations for these facilities. He was also concerned that the relocation works might have impact on the proposed XAC project.

31. Ms Starry LEE said that while there might also be objection to the proposed sites of RCP and SSS, she hoped that relocation works could be completed early so that works for the piazza under the Phase II development could commence as scheduled.

32. The Deputy Secretary for Home Affairs (DS(HA), HAB) said that the Administration had decided to re-provision the public toilet at its original location, but the RCP and SSS would be relocated to allow more space for Phase II development of the proposed project. The initial plan was to develop the vacated area into an open piazza to enhance the linkage between the Yau Ma Tei Theatre (YMTT) and the Red Brick Building (RBB) as a cultural heritage ensemble. Regarding the inter-departmental efforts in relocating RCP and SSS, the Yau Tsim Mong District Office, the Food and Environmental Hygiene Department (FEHD) and the Social Welfare Department were currently studying the feasibility of relocating the two facilities to the space underneath the Ferry Street Flyover (the section between Tung Kun Street and Pitt Street). While efforts would be made to expedite the relocation of the two facilities, the conversion works of the proposed XAC would commence as soon as practicable as it would take time to implement mitigation measures for conservation of YMTT and RBB which were graded historic buildings.

Street management measures and coordination of traffic at Yaumatei Wholesale Fruit Market

33. Mr LEE Wing-tat said that members of PWSC had expressed concern that the activities at the Yaumatei Wholesale Fruit Market (YWFM) which usually started in dusk would have adverse impact on the traffic and pedestrian flow near the

proposed XAC. Although the Administration had undertaken to work closely with the YWFM operators in coordinating the traffic and street management for the area, he was worried about the effectiveness of such measures and possible disputes between the XAC patrons and the YWFM operators regarding the use of the road.

34. DS(HA), HAB advised that LCSD had held meetings with the YWFM operators regarding road access for vehicles, market operators and the general public during and after the construction period. For the Theatre proper, the pedestrian flow was expected to concentrate at the section of Waterloo Road between YMTT and the Nathan Road MTR station, which would be less affected by the YWFM activities that usually commenced at late night. The Administration would continue to communicate with the YWFM operators on traffic and street management in the area.

35. Mr LEE Wing-tat disagreed that the activities of YWFM usually commenced at late night. He observed that three of the lanes in the 4-lane carriageway at YWFM were often obstructed by operators' activities as early as 4 pm. He urged the Administration to put in place effective street management measures to ensure the safety of the XAC patrons and other pedestrians. Ms Cyd HO expressed similar concern, in particular the safety of senior XAC patrons. She urged the Administration to address the problems of road obstruction and slippery road surface caused by the YWFM activities.

36. DS(HA), HAB said that the YWFM operators had expressed support for the proposed project, and he believed the YWFM operators would adjust their activities to facilitate road access by the XAC patrons. As regards street management and environmental hygiene of the area, an inter-departmental meeting led by the Permanent Secretary for Home Affairs (PSHA) and comprising representatives of relevant government departments, including the Police and FEHD, would continue to take necessary enforcement actions to mitigate the traffic and environmental nuisance caused by the YWFM operations.

37. Ms Starry LEE said that the nuisance caused by the YWFM activities had been a subject of frequent complaints, and she suggested that the Administration should also take the opportunity to re-provision YWFM.

38. DS(HA), HAB advised that the relocation of YWFM was under the purview of Food and Health Bureau (FHB) which had been liaising with different bureaux/departments to pursue the matter. Ms Starry LEE opined that the relocation of YWFM required much greater collaboration among the Government bureaux/departments, and the matter should be placed on the agenda of the inter-departmental meeting led by PSHA in order to expedite the process. DS(HA), HAB agreed to relay Ms LEE's views and suggestions to FHB for consideration.

Arrangement for admission of patrons

39. Mr LEE Wing-tat said that PWSC members had expressed concern about the lack of waiting area at the entrance of YMTT. Ms Cyd HO was concerned that as the foyer could only accommodate 30 persons while the auditorium would have a maximum seating capacity of 300. She pointed out that the lack of waiting area would be very inconvenient to the audience, in particular senior fans of Cantonese opera. DS(HA), HAB highlighted the flexible admission arrangements for Cantonese opera shows and explained that the XAC management could commence admission earlier to ease the pressure in the foyer. After the relocation of the adjacent RCP and SSS, part of the vacated space could also be used to make room for audience gathering before the show started.

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

PWSC(2008-09)65 729CL Disposal of contaminated sediment - dredging, management and capping of sediment disposal facility at Sha Chau

41. Mr Albert HO said that the Tuen Mun District Council (TMDC) had expressed concern that a large share of territory-wide obnoxious facilities, such as incinerators, crematoria and disposal pits, was located at Tuen Mun. TMDC passed a motion at the meeting on 6 January 2009 to express their grave concern about the matter, and requested the Environment Bureau, Development Bureau and FHB to first discuss with TMDC the overall policy in the planning and development of obnoxious facilities in Hong Kong before taking forward more such projects in Tuen Mun. Although the motion did not specifically raise objection to the proposed sediment disposal facility at Sha Chau, this would be one of the obnoxious facilities in question. He would vote against this proposal in order to urge the Administration to take heed of TMDC's concerns and take necessary actions.

42. The Deputy Secretary for Development (Works)2 (DS, DEVB) advised that there was urgency in providing a new facility at Sha Chau, as the existing facilities for disposal of contaminated sediment did not have adequate capacity to meet the demands for contaminated sediment disposal arising from the on-going and planned projects, the regular harbour fairway maintenance dredging and the river flood protection works in 2010. DS, DEVB pointed out that the proposal had the support of TMDC at its meeting on 6 January 2009. The Administration had been discussing with TMDC the planning and development of other projects. He further pointed out that projects and facilities conducive to the betterment of the district, such as the Tuen Mun River Beautification Scheme and enhancement of cycle track network, were also being undertaken.

43. Mr Albert HO commented that the Administration often used "urgency" as a reason to justify the provision of obnoxious facilities in Tuen Mun. He considered that instead of consulting TMDC on individual facilities, the Administration should seek to reach consensus with TMDC on the long-term overall planning of the

provision of obnoxious facilities in the district. Mr LEE Wing-tat said that the relevant bureaux/departments should work together to formulate a policy on the provision of territory-wide obnoxious facilities. He urged the Administration not to repeat the experience of Tsing Yi and should avoid concentrating obnoxious facilities in a few districts.

44. In reply to Mr WONG Kwok-hing, the Head of Civil Engineering Office, Civil Engineering and Development Department (H of CEO, CEDD) explained that sediment quality criteria had been provided for the classification of sediment under the Technical Circular promulgated by the former Environment, Transport and Works Bureau. There were two criteria, namely the Lower Chemical Exceedance Limit and the Upper Chemical Exceedance Limit, for classification of sediment. On the disposal method, he said that the mud pits would be formed by the conventional dredging method, and contaminated sediments would be disposed into the pit from dumping barge. When the facility was fully filled, a capping layer of clean sediment would be provided to seal off the dumped contaminated sediment from the adjoining environment.

45. Mr WONG Yung-kan said that the disposal of contaminated sediment in sea-bed pits at Sha Chau had been taking place for a long time. He further said that there had not been adequate discussion with fishermen representatives before taking forward the project, as fishermen in Ma Wan and Tuen Mun had expressed concern about the possible reduction in fish catch in East Sha Chau because of repetitive sand dredging and contaminated mud disposal activities. Mr WONG urged the Administration to enhance communication with fishermen representatives in the early planning stage of marine works projects, and put in place effective monitoring system on the disposal operation to prevent contamination of the adjacent waters.

46. H of CEO, CEDD said that the Administration had maintained regular dialogue with the fishing trade since 1992 on the disposal of contaminated sediment in sea-bed pits at Sha Chau. Representatives of the Administration regularly attended meetings of the Capture Fisheries Subcommittee (CFS) and the Aquaculture Fisheries Subcommittee of the Advisory Committee on Agriculture and Fisheries to report on the situation about marine fill extraction and marine disposals within Hong Kong waters. CFS had been advised of the implementation of the proposed works as early as November 2007. He assured members that the Administration would continue to engage the fishermen representatives on the proposed works and similar projects in future.

47. The Chairman noted that according to the Administration's supplementary information provided to the Panel on Development, environmental monitoring data collected since 1992 had demonstrated that the environmental impact due to the mud disposal activities at Sha Chau area was within acceptable level. The findings of the related Environmental Impact Assessment Study also showed that no adverse impact to water quality was expected, so long as the operations proposed for the new facility would be designed to follow the current practice, and would be carried out within the allowed working rates. The Chairman asked if the information was accurate, the

fishermen would not have expressed worries about the adverse impact of new disposal pits on the fishing industry.

48. H of CEO, CEDD advised that the Administration had been monitoring the water quality at Sha Chau since the commencement of operation of the mud pits there in 1992. So far, there was no evidence of any adverse impact caused by the disposal activities to the water quality or organisms dwelling at sea bed level.

49. Noting that the Administration had entrusted the monitoring works to external consultants, Mr WONG Yung-kan said that the fishermen were concerned that water samples might have been selectively collected, leading to distorted results. He considered that the Administration should seek a second opinion and invite the fishermen to participate in field sampling and testing works.

50. H of CEO, CEDD responded that the Administration had in the past invited fishermen representatives to observe the collection of water samples, but it was not practicable for them to participate in the subsequent testing works at the laboratory. Nonetheless, the Administration could further exchange views with the fishermen on the monitoring methodology.

51. In reply to Mr WONG Kwok-hing, H of CEO, CEDD said that the Administration had engaged an expert to review the impact of the proposed facility on Chinese White Dolphins in 2007. It was noted that there had not been much change in the activities of Chinese White Dolphins in the area during the period running up to 2007, showing that the facility did not have any noticeable impact on them.

52. Mr LEE Wing-tat was concerned that the findings did not reflect the true picture as the average statistics over a few months instead of a longer period were presented. H of CEO, CEDD said the review of the impact on Chinese White Dolphins was conducted by Dr Samuel HUNG, Director of Hong Kong Cetacean Research Project, who had proven expertise and credibility in the field. The review showed that the activities of Chinese White Dolphins in Sha Chau area had reduced in 1996 to 1999, followed by an increase in 1999 to 2003, and a reduction again in 2003 to 2007, which indicated that the existing disposal facility had not caused unacceptable impact to Chinese White Dolphins.

53. Mr LEE Wing-tat noted that two of the three observation periods had recorded a reduction in the activities of Chinese White Dolphins at Sha Chau area, and asked about the reasons for such reduction. H of CEO, CEDD explained that the activities of the Chinese White Dolphins were affected by a combination of factors. As the prescribed scope of review was to study the impact of the proposed facility, it had not provided findings on other factors that accounted for the reduced activities of the Chinese White Dolphins.

54. Mr LEE Wing-tat doubted the relevance and usefulness of the review findings for the protection of the Chinese White Dolphins if no scientific conclusion could be drawn on the factors affecting the activities of Chinese White Dolphins.

H of CEO, CEDD stressed that it was Dr HUNG's conclusion that there was no direct linkage between the facility and the activities of Chinese White Dolphins, and the risk that the Chinese White Dolphins would be exposed to contaminants due to the facility was low. The review was essentially part of the continuous efforts of the Administration to monitor the impact of disposal facilities on marine ecology.

55. Ir Dr Raymond HO expressed support for the proposal. Having observed the disposal operation himself some years ago, he was impressed by the comprehensive and hi-tech equipment used for the facility, and was convinced of the effectiveness of the disposal method. He agreed that the Administration should enhance communication with the fishermen and other stakeholders who would be affected by the proposed facility. He said that as there was a number of factors affecting the activities of Chinese White Dolphins, it might not be the appropriate forum for the meeting to examine these factors in detail.

56. As members raised no further question, the Chairman put PWSC(2008-09)65 to vote. 32 members voted for the proposal and 13 members voted against. The individual results were as follows --

For:

Ir Dr Raymond HO Chung-tai	Mr CHAN Kam-lam
Mrs Sophie LEUNG LAU Yau-fun	Mr WONG Yung-kan
Mr LAU Kong-wah	Mr LAU Wong-fat
Ms Miriam LAU Kin-ye	Mr TAM Yiu-chung
Mr Abraham SHEK Lai-him	Mr Tommy CHEUNG Yu-yan
Mr Albert CHAN Wai-yip	Ms Audrey EU Yuet-mee
Mr WONG Kwok-hing	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr CHEUNG Hok-ming
Mr WONG Ting-kwong	Mr CHIM Pui-chung
Prof Patrick LAU Sau-shing	Ms Starry LEE Wai-king
Dr LAM Tai-fai	Mr Paul CHAN Mo-po
Mr CHAN Kin-por	Dr Priscilla LEUNG Mei-fun
Dr LEUNG Ka-lau	Mr WONG Kwok-kin
Mr WONG Yuk-man	Mr IP Wai-ming
Mr IP Kwok-him	Mrs Regina IP LAU Suk-ye
Dr PAN Pey-chyau	Dr Samson TAM Wai-ho

(32 members)

Against:

Mr Albert HO Chun-yan	Mr LEE Cheuk-yan
Mr James TO Kun-sun	Mr CHEUNG Man-kwong
Mr LEUNG Yiu-chung	Mr Andrew CHENG Kar-foo
Mr Frederick FUNG Kin-kee	Mr LEE Wing-tat
Dr Joseph LEE Kok-long	Mr KAM Nai-wai
Ms Cyd HO Sau-lan	Mr CHEUNG Kwok-che
Mr WONG Sing-chi	

(13 members)

57. The Committee approved the proposal.

Item No. 3 - FCR(2008-09)62

**HEAD 148 - GOVERNMENT SECRETARIAT: FINANCIAL SERVICES AND
THE TREASURY BUREAU (FINANCIAL SERVICES BRANCH)**

• Subhead 700 General non-recurrent

New Item "Payment of special contributions into Mandatory Provident Fund accounts of eligible persons"

58. The Chairman advised that the Panel on Financial Affairs (FA Panel) had been consulted on 5 May 2008 on the proposal seeking approval for a new commitment of \$9 billion for making payment of special contributions into the Mandatory Provident Fund (MPF) accounts of eligible members of the MPF Schemes and the MPF-exempted Occupational Retirement Schemes.

59. Mr CHAN Kam-lam, Chairman of FA Panel, reported that Panel members generally welcomed the proposal. Some members suggested that consideration be given to allow scheme members to withdraw their accrued benefits before the age of 65, and to expand the scope of the proposed injection. They also requested the Administration to consider other relief measures for the lower-income groups. To provide the legal framework for the MPF Schemes Authority (MPFA) to implement the proposal, the Administration had introduced the MPF Schemes (Amendment) Bill 2008 into the Legislative Council (LegCo) on 18 June 2008, which was enacted on 10 July 2008. At the request of the Bills Committee which scrutinized the Bill, the Administration had provided further information to FA Panel in January 2009 on the arrangements for handling requests for review of eligibility with regard to the injection exercise.

60. Mr WONG Ting-kwong and Mr TAM Yiu-chung declared that they were non-executive directors of MPFA.

61. Mr WONG Ting-kwong said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supported the proposal which was a one-off measure announced by the Financial Secretary in the 2008-2009 Budget to make good use of the fiscal surplus to enhance the retirement protection of lower-income workers. The measure was in line with the objective of the MPF Schemes to provide retirement protection, in particular in view of increasing life expectancy and a rapidly ageing population in Hong Kong. Mr WONG disagreed with the suggestion of making the one-off injection into the voluntary contribution accounts of the MPF Schemes as this would violate the intent of the proposal to enhance retirement protection in the long-run. To alleviate the unemployment problem, Mr WONG believed that the Administration would expedite the measures set out in the 2009-2010 Policy Address to create job opportunities, and members would also continue to urge for more measures to help the community overcome the economic crisis, in the context of the examination of the 2009-2010

Budget. While DAB Members were concerned about the urgency to boost the job market, they considered that this should be dealt with under separate funding proposals. As the current proposal had been thoroughly discussed by the relevant Panel, and MPFA had also been preparing for the implementation, DAB Members would object to deferment of or amendment to the funding proposal at the present stage.

62. The Chairman said that she would extend the meeting for 15 minutes.

63. Mr TAM Yiu-chung suggested the Administration to make similar injections when there was substantial fiscal surplus in future. He pointed out that the retirement protection provided by the MPF Schemes was limited as the mandatory contributions from both the employers and employees made up a total of only 10% of the employees' salary. He hoped that there would be further injections when there were fiscal surplus, as these would help enhance retirement protection for the lower-income groups. He also requested the Administration to include other measures under the 2009-2010 Budget to address the needs of disadvantaged groups who would not be able to benefit from the proposed injection.

64. Mr WONG Yuk-man said that the Administration had not taken heed of members' suggestion of subsidizing the MPF contributions of lower-income employees, and making funding injection into the voluntary contribution accounts of the MPF Schemes. He criticized the Administration for being insensitive to the pressing needs of grassroots workers, and for being inflexible in formulating timely measures to cope with the economic crisis. He also commented that, among the four places on both sides of the Strait, Hong Kong had fared badly in devising effective measures to surmount the economic crisis.

65. Mr LEE Cheuk-yan said that he had moved an amendment to the MPF Schemes (Amendment) Bill 2008 at the LegCo meeting on 10 July 2008 to enable one-off injection into eligible members' voluntary contribution accounts instead of mandatory contribution accounts. However, the amendment had not received majority support from the LegCo Members. His suggestion to introduce a bill in the current session to this effect was also not allowed by the Chief Executive. Mr LEE said that in view of a deteriorating economy, in particular when the unemployment rate was expected to climb from 4.1 % to above 6% in the months ahead, he strongly urged the Administration to withdraw the current proposal and re-deploy the funding to provide timely relief to the lower-income groups. Mr LEE commented that the Administration should also review the existing practice of offsetting the long service payment and severance payment by the accrued benefits derived from contributions made to employees in the MPF Schemes.

66. Ms Cyd HO said that the local economy and international financial market situation had undergone drastic changes since the announcement of the injection proposal in early 2008. She was worried that the unemployment problem might be worse than the situation after the outbreak of the Severe Acute Respiratory Syndrome, and pan-democrats had suggested re-deploying part of the injection money for the

creation of additional jobs. She was disappointed that the Administration did not seem to be willing to discuss alternative ways to better utilize the proposed funding. Ms HO pointed out that as only specific categories of persons would be eligible for the injection, those who could not benefit from the injection proposal would inevitably be disappointed and alternative means should be drawn up to assist these people. As regards the existing MPF schemes, Ms HO said that the Administration should increase transparency of these schemes, and drive down their charges to ensure that the public money injected into the MPF accounts would not be depleted by payment of hefty fees and charges.

67. Mr Albert HO said that although Members belonging to the Democratic Party supported the injection proposal when it was discussed in 2008, changes in the economic situation warranted re-consideration of the proposal.

68. Mr LEUNG Kwok-hung criticized that the Administration had made a serious mistake in sticking to the injection proposal in spite of the change in circumstances. He was concerned that the proposal would benefit investment institutions rather than the low-income workers who were in need of immediate economic assistance amidst the financial tsunami. He strongly requested the Administration to withdraw the current proposal.

69. Dr Priscilla LEUNG considered that the current proposal should be proceeded with while separate proposals could be made to provide other forms of economic relief. She was concerned that the implementation of the proposal should be taken forward expeditiously and further changes to the injection proposal would cause confusion to the public. She also requested the Administration to handle requests for review of eligibility carefully.

70. The Deputy Secretary for Financial Services and the Treasury (Financial Services)² responded that subject to FC's approval of the proposal, the Administration would arrange for funds to be transferred to MPFA for implementation of the injection exercise. Shortly after receiving the funds, MPFA would disburse the money to trustees which would commence the procedures for injecting the special contributions into the relevant MPF accounts. MPFA expected that the first batch of injection covering about 97% of the 1.404 million eligible persons would be completed before end March 2009, and the payment to be made to the rest before end April 2009. The trustee would send a written notification to each eligible person within 10 working days after the injection. Employees could check their eligibility status with MPFA in person or by phone.

71. Mr WONG Kwok-hing said that Members belonging to The Hong Kong Federation of Trade Unions (HKFTU) had discussed with the Secretary for Financial Services and the Treasury (SFST) their suggestions to help the lower-income groups tide over the economic downturn. They noted there were difficulties to make the proposed injection into the voluntary contribution accounts of eligible members of the MPF Schemes. However, the Administration had agreed to consider suggestions to relieve the economic burden of grassroots workers, such as setting up an emergency

relief fund for the unemployed, enhancement of cross-district travel allowance, rent reduction or exemption to public rental housing tenants, and increase in personal allowances for salaries tax. As the Administration had undertaken to explore these suggestions, Members belonging to HKFTU would support the injection proposal.

72. Ms Audrey EU said that the Administration had postponed public consultation on the two electoral methods for 2012 with the reason that the community could focus on dealing with the economic issues arising from the financial tsunami. She urged the Administration to seriously re-consider the injection proposal in order to put the funding to more effective use in relieving the economic pressure on various sectors of the community. She opined that there should be flexibility for eligible persons under the injection exercise to decide when and how to use the injected fund, i.e. for immediate relief or long-term retirement protection.

73. In response to members' concerns, SFST stressed that the objective of the proposal was essentially to enhance retirement protection for the lower-income workers after making statutory MPF contributions. The intent of the proposed measure remained valid irrespective of the economic situation, while the unemployment problem could be dealt with by other means in parallel. He said that it would be unfair and disappointing to eligible members of the MPF Schemes if the proposal was to be deferred. Hence, the Administration would not withdraw the proposal.

74. The Chairman requested the Administration to implement other measures to assist the lower-income groups. SFST undertook to give due consideration to such measures in the context of the 2009-2010 Budget.

75. Due to time constraint, the Chairman advised that an additional meeting would be held at 5:05 pm on 20 February 2009 (following the FC meeting at 3:00 pm on the same day) to continue discussion of this item and to deal with the remaining three items.

76. The meeting was adjourned at 5:15 pm.