

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 13th meeting
held at the Legislative Council Chamber
on Friday, 24 April 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
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
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 TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, 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 Alan LEONG Kah-kit, SC

Hon CHEUNG Hok-ming, SBS, JP
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 CHAN Hak-kan
Hon Paul CHAN Mo-po, MH, JP
Hon CHAN Kin-por, JP
Hon Tanya CHAN
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
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-ye, GBS, JP
Dr Hon PAN Pey-chyou
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP

Members absent:

Hon LEE Cheuk-yan
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon LEUNG Kwok-hung
Hon WONG Ting-kwong, BBS
Dr Hon Priscilla LEUNG Mei-fun
Hon WONG Sing-chi

Public officers attending:

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
Ms Winnie HO Wing-yin	Chief Project Manager 303, Architectural Services Department
Mr Vincent LIU Ming-kwong, JP	Deputy Director of Leisure and Cultural Services (Leisure Services)
Miss Olivia CHAN Yeuk-oi	Assistant Director of Leisure and Cultural Services (Leisure Services) ²
Miss Janet WONG Chin-kiu	Principal Assistant Secretary for Home Affairs (Recreation and Sport)
Mr Harry TSANG Chin-kwong	Chief Executive Officer (Planning) ¹ , Leisure and Cultural Services Department
Mrs Carrie LAM CHENG Yuet-ngor, JP	Secretary for Development
Mr Edward TO Wing-hang	Acting Deputy Secretary for Development (Planning and Lands) ²
Mr LAM Siu-tong	Deputy Director of Buildings
Mr WONG Kit-loong	Chief Executive Officer and Executive Director, Hong Kong Housing Society
Ir Calvin LAM Che-leung	Executive Director (Operations and Project Control), Urban Renewal Authority
Mr Kenneth CHEN Wei-on, JP	Under Secretary for Education
Mrs Betty IP TSANG Chui-hing	Deputy Secretary for Education (3)
Mr David WONG Fuk-loi	Principal Assistant Secretary for Security (N)
Mr TAM Yiu-keung, CMSM	Assistant Commissioner of Customs and Excise (Intelligence and Investigation)
Mr John LEE Cheung-wing	Head of Customs Drug Investigation Bureau, Customs of Excise Department
Mr David LAU	Principal Assistant Secretary for Security (A)
Mr CHOW Kwong, CDSM, CMSM	Assistant Commissioner of Customs and Excise (Boundary and Ports)
Mr WONG Chung-shun	Divisional Commander (Harbour and River Trade), Customs of Excise Department
Mr WONG Wai-man	Electronics and Data Communication Manager, Electrical and Mechanical Services Department

Clerk in attendance:

Mrs Constance LI	Assistant Secretary General 1
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Staff in attendance:

Ms Anita SIT	Chief Council Secretary (1)4
Mr Simon CHEUNG	Senior Council Secretary (1)5
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Item No. 1 - FCR(2009-10)1

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 18 FEBRUARY 2009**

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

Item No. 2 - FCR(2009-10)2

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 7 JANUARY, 11 FEBRUARY AND 8 APRIL 2009**

2. Members agreed to take out PWSC(2008-09)55 on the improvement works for Mong Kok Stadium (MKS) for separate voting. The Chairman put the other items in FCR(2009-10)2 to vote. The Committee approved all the items except PWSC(2008-09)55.

PWSC(2008-09)55 263RS Improvement works for MKS

3. Mr KAM Nai-wai said that the Administration's funding proposal had been discussed at the Public Works Subcommittee (PWSC) meeting on 7 January 2009. While supporting the project, members of the Subcommittee believed that the east and west sides of the stadium should both be provided with covered spectator stands in addition to the north and south sides of the stadium. Mr KAM further said that he had subsequently further discussed the matter with the Administration. He noted that additional covers on the east side could not provide effective shelter for spectators against rain and sunshine due to the presence of a Light Emission Diode screen thereat, and that construction of additional covers would delay the project for a year, which would be contrary to the wish of the Hong Kong Football Association and the Yau Tsim Mong District Council (YTMDC). He hoped that the Administration would provide covered spectator stands on all sides for future stadia, and he would accept the present proposal in order not to delay the project.

4. Ir Dr Raymond HO said that the project had been thoroughly discussed at the PWSC meeting on 7 January 2009, and the Administration had provided further information in response to members' concerns. He hoped the Administration could improve its design for similar sports facilities in future. Having considered the relevant factors, members of the Professionals Forum had decided to support the proposal.

5. The Director of Architectural Services (D Arch S) advised that his department had repeatedly reviewed with Leisure and Cultural Services Department the designs of MKS in the light of members' concerns about the number of seats and provision of covered stands on all sides of the stadium. While there were practical reasons for not recommending the provision of additional covers for the MKS under this project, the number of seats would be increased as far as practicable.

6. Prof Patrick LAU said that the problem with MKS was the east-west alignment of the football pitch, and he hoped that in the long run, the Administration should consider re-provisioning MKS to the nearby Tai Hang Tung Recreation Ground (THTRG). It was not sensible to over-invest in MKS. As a long-term improvement, Mr Albert CHAN also said that the Administration should study north-south alignment for all football pitches. The Deputy Director of Leisure and Cultural Services (Leisure Services) advised that the existing THTRG mainly comprised one rugby and three football pitches. Given that there was a flood storage pond underneath, redevelopment of the THTRG would require careful study and detailed planning. Ir Dr Raymond HO acknowledged the complexity of the underground structures beneath THTRG, but he was confident that the Administration would have the expertise to overcome the technical difficulties.

7. Mr IP Kwok-him said that the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supported the Administration's proposal to redevelop MKS. The Administration had duly consulted members and examined various options before reverting to the Finance Committee (FC) with the original proposal. He pointed out that the YTMDC had been urging for early implementation of improvement works at MKS. DAB had carefully considered the Administration's proposal and further information, and came to the view that the proposal, though not perfect, was acceptable.

8. Mr Albert CHAN said that there were many football lovers in Hong Kong who were eager to see improvement to the existing stadia and related facilities to promote local football. However, malpractices in soccer matches had brought adverse impact on the development of football as a sport. He considered that a radical reform of the sport of football was necessary. While there was an imminent need to improve the existing facilities of the MKS, the Administration should consider re-provisioning MKS, in the longer term, to a place which could provide north-south orientation for the football pitch. D Arch S said that the Administration would explore long-term measures such as redeveloping THTRG.

9. The Chairman put the item PWSC(2008-09)55 to vote. The Committee approved the item.

Item No. 3 - FCR(2009-10)3

**HEAD 138 – GOVERNMENT SECRETARIAT: DEVELOPMENT BUREAU
(PLANNING AND LANDS BRANCH)**

**• Subhead 700 General non-recurrent
New Item "Operation Building Bright"**

10. Mr LAU Wong-fat, Chairman of the Panel on Development, reported that the Administration's proposal had been discussed by the Panel at the meeting on 31 March 2009. Panel members in general supported the Administration's proposal to implement "Operation Building Bright" (the Operation). However, individual members of the Panel had expressed the following concerns --

- (a) the Administration should work in collaboration with the relevant trade unions so that unemployed workers could be recruited to carry out work under the Operation;
- (b) more construction companies should be allowed to participate in the Operation;
- (c) the Administration should review the list of priority items to include the repair of defective fire safety installations and clearance of unauthorized structures ;
- (d) responsible owners who had all along kept their buildings under good conditions would not be able to benefit from the Operation;
- (e) the Administration should effectively monitor the tendering procedures of the owners' corporations (OCs) to prevent malpractice;
- (f) the OCs should be allowed adequate time to apply for joining the Operation;
- (g) the ways for the Administration to recover the costs from the owners;
- (h) buildings which were less than 30 years old but in highly dilapidated conditions should be included in the Operation; and
- (i) "through-train" services should be provided to facilitate OCs to make application under the Operation.

11. Mr Frederick FUNG welcomed the Operation, but expressed concerns about possible rigging in the tendering process. He also urged the Administration to take the opportunity to encourage the formation of OCs in old buildings which still had no such establishment.

12. The Secretary for Development (SDEV) advised that the Administration would take effective measures to guard against unlawful acts under the Operation. The requirements and procedures for tendering should be followed by the OCs concerned. Advice was being sought from the Independent Commission Against Corruption to draw up practical guidelines for concerned parties to follow. Staff of the Hong Kong Housing Society (HKHS) and the Urban Renewal Authority (URA) would visit the selected buildings to ensure that the prescribed standards and procedures were followed, and would also provide advice to the OCs on the tender conditions and tender assessments. The Administration would also step up public education and publicity on the Operation to prevent abuses.

13. Ms Starry LEE envisaged that there would be great demands for assistance under the Operation. She considered that some OCs might not be able to apply in time, and she hoped that the Administration could extend the application time for the Operation or hold another round of applications for the buildings after the first round conducted in May. On the selection criteria, she believed that it would be more reasonable to set a rateable value instead of using "400 residential units" as one of the criteria. She also suggested that there should be a one-stop shop for OCs to make enquiries and submit applications. As regards the improvement works for Category 2 buildings, she enquired whether it was permissible to "beautify" these buildings rather than carrying out minimum repair work to ensure structural safety.

14. SDEV responded that there had been positive feedback towards the Operation. She advised that for Category 2 buildings which did not have OCs to co-ordinate the repairs works, staff of Buildings Department (BD), URA or HKHS would arrange meetings with the owners to collect their views on the improvement works to their buildings. As the Operation was also meant to promote building safety and improve the cityscape and living environment other than preserving employment, improvement works to Category 2 buildings would not be limited to the minimum remedial works relating to building safety. Also, the Administration had decided to include repair of fire services installations as a priority item of works under the Operation, following a review after the meeting of the Panel on Development on 31 March 2009.

15. Mr KAM Nai-wai welcomed the inclusion of fire services installations as one of the priority items under the Operation. He asked whether consideration would be given to including buildings, which were less than 30 years old but were badly in need of repair and maintenance. He considered that it would be unrealistic to expect the improvement works to start in September 2009, as preparatory work would take some time. He said that some OCs would prefer starting the improvement works after the Chinese New Year in 2010.

16. SDEV responded that since the Operation was a building-based programme aiming to alleviate the aggravating unemployment of construction workers amid the financial tsunami, implementation should start as soon as possible. Hence, the Administration would prefer adhering to the eligibility criteria as proposed subject only to fine-tuning as needed. She believed that the Administration would be able to take forward the improvement works to the Category 2 buildings already issued with default repair orders by BD as early as late May 2009. As for Category 1 buildings, some of these buildings had already gone through the required procedures and the work could start immediately once funding was available. With FC's approval of the required funding, these buildings could proceed to hold tendering exercise for appointing authorised persons (APs) and qualified contractors to carry out the improvement works. She was optimistic that the improvement works for some Category 1 buildings could start in September 2009 at the earliest. The Operation would continue until the provision of \$1 billion was used up.

17. Referring to paragraph 11 of the Administration's paper, Ms Audrey EU expressed concern about the criteria for according priority to target buildings as over 1 000 buildings would be eligible under the Operation. She asked how the opinion of the District Councils (DCs) would come into play, and how the Administration could ensure fairness in the selection process. She also asked whether there would be a points system for assessing the applications.

18. SDEV advised that paragraph 11 of the paper already set out the objective criteria for the selection of target buildings. It was estimated that about 5 000 buildings in Hong Kong were over 30 years old and met the condition in paragraph 11(a) of the paper. Where necessary, priority for funding support would be determined by ballot, and DCs would not be involved. SDEV further advised that the views of DCs would be sought on the selection of target buildings under Category 2 which were in poor conditions due to lack of maintenance. She said that for many of these buildings, BD had already issued repair orders but these were not executed due to reasons such as failure to secure owners' consent or insufficient funding. Repair works had to be carried out to ensure safety of these buildings. While a points system might not be necessary, the selection of Category 2 buildings would be jointly made by a steering committee comprising representatives of BD, HKHS and URA in consultation with the DCs. SDEV clarified that the target of providing support to 1 000 buildings under the scheme was only an estimate, as it was the Administration's intention to cover as many buildings as possible by fully utilising the \$1 billion provision.

19. Mr Ronny TONG said that while he appreciated the initiative taken by the Administration to improve the safety of old buildings, he was concerned about the fairness of the Operation and whether it would lead to abuse or corrupt practices. He asked whether only Category 1 buildings would be allowed to carry out face-lift maintenance work, while improvement works to Category 2 buildings would be

confined to structural safety. He further asked whether there would be an appeal mechanism for Category 2 buildings under the scheme.

20. SDEV advised that the use of funds under the Operation were clearly set out in paragraphs 15 and 16 of the paper, and the scope of works would be the same for Category 1 and Category 2 buildings. She said that previous schemes were confined to maintenance and repair works, but the proposed Operation also allowed some beautification works arising from the repair works. As the works were mainly concerned with structural safety and were based on professional assessment, an appeals mechanism would not be necessary. Nevertheless, suggestions on target buildings from the Legislative Council Members, DC members and owners/residents of buildings were welcome.

21. Mr WONG Kwok-hing welcomed the Operation as this would help create jobs for the construction and decoration industries. However, he was worried that some unscrupulous contractors would employ illegal workers and would persuade the elderly owners to fully utilize the subsidy of \$40,000 even though this might not be necessary. He urged the Administration to adopt measures to prevent such illegal and corrupt practices in order to safeguard the use of public monies. He also urged the Administration to consider including removal of unauthorized structures in the scope of the Operation.

22. SDEV said that BD, HKHS and URA would provide technical advice and support to each building, to ensure that the proposed works would be within the scope of the scheme. To be eligible for funding under the Operation, the proposed works should be confined to the common areas of the buildings and such works would require the approval of the steering committee. The removal of unauthorised building structures and illegal rooftop structures within the common areas of buildings could also be funded by the \$40,000 subsidy for elderly owners, if there was unspent balance after meeting the costs of the essential maintenance and repairs works. As regards employment of illegal workers, she would convey Mr WONG's concern to the Commissioner for Labour.

23. Mr WONG Kwok-hing urged the Administration to take the opportunity to set up a computer database on the unauthorised structures in private buildings. He said that the Administration should also devise a transparent system to prioritise the clearance of these unauthorized structures. SDEV responded that the problem of unauthorized building structures involved complex issues and could not be dealt with under this scheme alone. Given the limited manpower resources for the implementation of this scheme, it would not be possible to redeploy resources for the setting up of a computer database on all unauthorized structures as suggested by Mr WONG.

24. Mr Albert CHAN said that he could foresee that the Operation would give rise to illegal and corrupt practices such as auction rigging. He considered that the steering committee and HKHS should actually monitor the tendering process and not

only issue reminders to owners of buildings. He also pointed out that there had been difficulties in removing certain unauthorized structures, such as those situated at rooftops and lightwells, as they might not be regarded as common areas of the buildings. He asked whether the Administration would consider including the removal of these illegal structures in the Operation.

25. SDEV responded that a three-pronged approach would be adopted to prevent corrupt practices under the Operation. The staff of HKHS and URA would inspect every selected building and provide technical advice on the procedures and requirements. These staff would also provide independent advice on the scope of maintenance works required, preparation of tender documents, assessment of tender bids, and appointment of APs and contractors. The OCs concerned would be required to follow the tender procedures and invite sufficient number of contractors to bid for the works, in order to ensure open and fair competition. The Deputy Director of Buildings (DD, BD) added that while the proposed scheme would not specifically deal with the problem of unauthorized structures, the present policy was to accord priority to removing newly erected unauthorized structures and those posing immediate risks.

26. Ms Cyd HO considered it important to allow adequate time for owners or OCs of eligible buildings to make applications. As the scheme was a measure to ease unemployment, Ms HO requested that consideration be given to lengthening the employment period of the workers concerned so that the employment situation would remain relatively stable throughout the period. She also suggested including in the Operation the rectifications works for wrong connection of used water pipes to the sewage system.

27. SDEV advised that pamphlets on the scheme had been distributed to all eligible OCs three weeks ago. Given the high unemployment rates of the construction and decoration industries, which stood at 11.2% and 17.5% respectively, it was considered desirable to launch the scheme as soon as possible in order to ease the unemployment. She believed that it was unlikely that the scheme would cause sudden ups and downs in the employment situation of the relevant industries. She further advised that replacement of pipes was already included in the scheme.

28. Mr Paul TSE expressed support for the proposal. He asked whether funding support would be provided for carrying out beautification works to those very old buildings at tourist spots. He also asked about the basis for determining the level of subsidy, and whether unauthorized structures in common areas of the buildings must be removed.

29. SDEV responded that the scheme did not cover beautification works for the old buildings at tourist spots, and the URA would have another project to beautify the cityscape. As regards the levels of subsidy, it was estimated that each unit would require an average amount of \$20,000 for the improvement works of the building, and the ceiling of \$16,000 subsidy was worked out on the basis of an 80% subsidy for

each owner of the eligible building. The subsidy level of up to \$40,000 to elderly owner aged 60 or above was modelled on the rate approved for the Building Maintenance Grant Scheme for Elderly Owners last year. The owners concerned would not be required to undergo any means or asset tests for receiving the subsidies under this scheme. As regards unauthorized structures, she clarified that only those in the common areas of the buildings would be covered by the Operation.

30. Dr PAN Pey-chyou declared interest that he might benefit from the scheme as he was one of the eligible owners under the Operation. He welcomed the scheme as it would help address the unemployment problem of the construction and related industries. He suggested that removal of unauthorised structures in common areas of buildings and replacement of aged electrical wiring should be regarded as essential items within the scope of paragraph 15 of the Administration's paper.

31. DD, BD responded that with the consent of the OCs concerned, removal of unauthorized structures and rewiring could be carried out on a voluntary basis by the OCs, as provided for under paragraph 16 of the Administration's paper. SDEV advised that owners were encouraged to carry out works to improve the safety and living environment of their buildings. For works outside the scope of the proposed scheme, the owners would have to contribute to the necessary expenses, or apply for loans under the relevant schemes. She stressed that as the proposal was a specific measure aiming at preserving jobs, she hoped that it could be launched as soon as possible. If fine-tuning to the Operation was considered necessary in the course of implementation, this would be considered.

32. At the request of the Chairman, the Administration agreed to provide a progress report to the Panel on Development around October 2009.

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

Item No. 4- FCR(2009-10)4

Head 156 – GOVERNMENT SECRETARIAT: EDUCATION BUREAU

- **Subhead 700 General non-recurrent**

Item 922 Grant to an Early Retirement Ex-gratia Payment Fund for Aided Secondary School Teachers

34. Ms Cyd HO, Chairman of the Panel on Education, reported that the Administration's funding proposal had been discussed at the Panel meeting on 9 March 2009. She said that the Early Retirement Scheme (ERS) for Aided Secondary School Teachers had already been in operation and it was required to extend the ERS for four school years up to 2012/2013. Some Panel members expressed concern about the demand and supply situation of teachers, and suggested that the application criteria under ERS should be further relaxed to allow more teachers to apply for early retirement. Some other Panel members were of the view

that more flexibility should be exercised by allowing major school sponsoring bodies to process teachers' applications for ERS collectively so as to facilitate internal redeployments of teachers among schools.

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

Item No. 5 - FCR(2009-10)5

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

Customs and Excise Department

- **New Subhead "Replacement of integrated radio system for the Customs Drug Investigation Bureau"**

36. Mr LAU Kong-wah, Chairman of the Panel on Security, reported that the Administration's proposal was discussed at the Panel meeting on 3 February 2009. Panel members had not raised objection to the proposal.

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

Item No. 6 - FCR(2009-10)6

Head 31 – CUSTOMS AND EXCISE DEPARTMENT

- **Subhead 603 Plant, vehicles and equipment**
New Item "Procurement of a mobile X-ray vehicle scanning system for cargo examination at the River Trade Terminal in Tuen Mun"

38. Mr LAU Kong-wah, Chairman of the Panel on Security, reported that the Administration's funding proposal had been discussed at the Panel meeting on 3 February 2009. Panel members supported the proposal.

39. The meeting was adjourned at 4:26 pm.