

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 15th meeting
held at the Legislative Council Chamber
on Friday, 22 May 2009, at 4:30 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 LEUNG Yiu-chung
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 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 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 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 Sing-chi
Hon WONG Yuk-man
Hon IP Wai-ming, MH
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
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon CHIM Pui-chung
Dr Hon Priscilla LEUNG Mei-fun
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP

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)
Ms Eva CHENG, JP	Secretary for Transport and Housing
Mr Philip YUNG Wai-hung, JP	Deputy Secretary for Transport and Housing (Transport)1
Mr WAI Chi-sing, JP	Director of Highways
Mr Albert CHENG Ting-ning, JP	Project Manager (Hong Kong-Zhuhai-Macao Bridge Hong Kong), Highways Department
Mr MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Mr KWONG Hing-ip, JP	Project Manager (Kowloon), Civil Engineering and Development Department
Mr Raymond LEE Kai-wing	Acting Assistant Director of Planning (Metro)
Mr Alan SIU Yu-bun, JP	Deputy Secretary for Commerce and Economic Development (Communications and Technology)
Ms Ida LEE Bik-sai	Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology)B
Mr Christopher WONG, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry)
Ms Wendy CHEUNG	Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry)
Mr YU Koon-hing, CMSM	Assistant Commissioner (Excise and Strategic Support), Customs and Excise Department
Ms Amy TSE	Senior Systems Manager, Office of Information Technology, Customs and Excise Department
Miss Rosanna LAW Shuk-pui	Principal Assistant Secretary for Transport and Housing (Transport)2
Mr Carey WONG Wai-ming	Principal Transport Officer (Management), Transport Department
Mr Larry LI Ying-ming	Airport and Vehicle Manager, Electrical and Mechanical Services Department
Mr YU Shuk-man	Acting Project Manager, Electrical and Mechanical Services Department

Clerk in attendance:

Mrs Constance LI

Assistant Secretary General 1

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

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Item No. 1 - FCR(2009-10)13

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 29 APRIL 2009**

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

Item No. 2 - FCR(2009-10)14

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 6 MAY 2009**

2. As agreed at the Public Works Subcommittee (PWSC) meeting on 6 May 2009, the Chairman said that five items, i.e. PWSC(2009-10)17, PWSC(2009-10)18, PWSC(2009-10)20, PWSC(2009-10)21 and PWSC(2009-10)22, would be discussed and voted on separately by the Finance Committee.

PWSC(2009-10)17 3QR Hong Kong-Zhuhai-Macao Bridge - funding support for Main Bridge

PWSC(2009-10)18 834TH Hong Kong-Zhuhai-Macao Bridge Hong Kong Boundary Crossing Facilities

3. The Committee agreed to combine the discussion of the two items as they were related.

Jurisdictional arrangement

4. Since the Hong Kong-Zhuhai-Macao Bridge (HZMB) would straddle across the waters of Mainland, Hong Kong and Macao, Ms Audrey EU expressed concern about the judicial jurisdiction along HZMB and enquired how law enforcement at HZMB would be carried out. Ms Cyd HO raised similar concerns

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and criticized the Administration for not providing sufficient details in the paper. She considered it necessary to set down clear and detailed rules in this respect, including how traffic accidents would be handled to provide the best assistance and protection to the HZMB users. She urged the Administration to make reference to the experience of Singapore and Malaysia in discussing the arrangements with the Mainland authorities, and consulted the relevant Legislative Council (LegCo) Panel on the proposed arrangements.

5. Dr Margaret NG said that the jurisdictional arrangement should not pose a problem as there was clear demarcation of the water boundaries. The Secretary for Transport and Housing (STH) advised that the boundary crossing facilities (BCF) of each territory would be set up within their respective territories. Each government would exercise their powers within their own jurisdictions in accordance with their own laws. Since the HZMB Main Bridge would be within the waters of the Mainland, it would be within the jurisdiction of the Mainland to take law enforcement actions. As for the Hong Kong Link Road which would be within Hong Kong's territory, the laws of the Hong Kong Special Administrative Region would apply. STH believed that the most important task for the time being would be to start the construction works of HZMB within 2009. After that, the three governments would work to establish an effective management mechanism to address operational and legal issues under the framework of the Basic Law. In this respect, a joint committee would be formed by the three governments, and there would also be a management body to oversee the daily operation of the HZMB Main Bridge. She assured members that the relevant LegCo Panels would be kept in the picture.

Financing arrangements and management responsibilities

6. Mr Albert HO said that while he supported the policy objective of constructing HZMB, he considered it necessary for the Administration to set out clearly the arrangements for the sharing of revenue amongst the three governments and the emergency repair/maintenance responsibilities for HZMB. He believed that these arrangements and the jurisdiction issues should be sorted out as soon as practicable by the three governments.

7. STH advised that in addition to the contributions from the three governments, which was about 42% of the project cost, the remaining 58% would be financed by a bank loan for a 35-year period. The Administration would not treat HZMB as an investment project to generate investment returns, as the revenue of HZMB would be used to repay the above-mentioned bank loan for construction and to meet the operation costs. To encourage usage of HZMB, it was the consensus of the three governments to set the tolls at a low level as far as possible. As HZMB would operate in a self-sufficient manner, the revenue generated from tolls would only cover loan repayments and the daily operating costs, and there should not be much proceeds left for sharing among the three governments. STH further advised that under the Mainland laws, road infrastructures financed by the Government would not be allowed to impose tolls on users after the loans had been repaid. She believed that

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issues relating to management and responsibilities of the three governments in respect of HZMB could be settled by means of an agreement at an appropriate time. The guiding principle was for the three governments to "jointly finance, manage and take forward" the HZMB project.

8. Mr Albert CHAN criticized that the financing arrangement of HZMB was unfair to Hong Kong. While Macao would be a major beneficiary of the construction of the Bridge, Hong Kong would have to contribute three and a half times more than Macao in return for far less benefits. He also criticized that the Administration had not followed the established procedures in implementing the HZMB project, i.e. the Environmental Impact Assessment (EIA) had not been carried out before giving green light to the project. He stated that Members belonging to the League of Social Democrats would not support the funding proposal.

9. STH advised that Hong Kong's contribution to the construction cost of the HZMB Main Bridge was based on a careful assessment of the economic benefits to the three territories vis-à-vis the cost. The details of this assessment had been reported to LegCo. As for the EIA on the HZMB Main Bridge, STH explained that since the project was within the Mainland waters, the assessment had been carried out in accordance with Mainland laws. For the related works including the Hong Kong Link Road and HKBCF located within the Hong Kong waters, in line with the established process, the relevant EIA report would be submitted to the Director of Environmental Protection for consideration before commencement of the construction works.

Designs and structural standards

10. Ms Miriam LAU expressed support for the two papers as the HZMB project was long awaited. She sought the Administration's view on a proposal of turning the two artificial islands of HZMB into observation posts for tourists. She was concerned that such a proposal would involve other issues which would need further deliberations and might affect the progress of the HZMB project.

11. STH advised that the proposal was put forth by the consultants when undertaking the feasibility study for the project, and the merits of the proposal would have to be further considered during the detailed planning stage. But this would not affect the progress of the HZMB project for which the feasibility study had been completed.

12. As HZMB was a project straddling the Mainland and Hong Kong waters, Ms Cyd HO expressed concern about the differences in structural safety standards between the two places. She asked about the regulation of the two places in this respect and the future maintenance arrangements for HZMB.

13. The Director of Highways (DHy) advised that the three governments had agreed that if there was a variance in terms of construction and safety standards, the

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HZMB project would go for the highest one. To illustrate this point, he cited that although the designed life span of HZMB was different between Hong Kong and the Mainland, a higher structural standard, i.e. 120 years adopted by Hong Kong, was chosen as the basis for structural design works. As regards the maintenance of HZMB, he confirmed that those falling within the Mainland waters would be looked after by the Mainland authorities, while Hong Kong would be responsible for maintaining the part of HZMB to the east of the artificial island within the Hong Kong waters.

Connectivity of the Bridge

14. Mrs Regina IP sought confirmation that HZMB would be connected to the AsiaWorld-Expo in future to facilitate businessmen from the Mainland to participate in the various exhibitions held at that venue. STH assured members that there would be effective road networks connecting the HZMB with nearby areas, including the AsiaWorld-Expo as well as the Hong Kong International Airport.

15. Ms Audrey EU enquired whether the design of HZMB would adequately cater for the conversion of right-hand traffic to left-hand driving for vehicles arriving in Hong Kong. Mr Ronny TONG expressed similar concern and asked whether HZMB should follow the example of the Shenzhen West Corridor in adopting left-hand traffic.

16. DHy advised that in the submission to the National Development and Reform Commission of the Central People's Government, right-hand traffic was chosen for HZMB. Nevertheless, the three governments could further work out the arrangements during the detailed planning stage. He explained that it would not pose any problem for HZMB to adopt left-hand or right-hand traffic since the vehicles could change direction at HKBCF on Hong Kong side.

17. Mr CHEUNG Hok-ming said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) supported the funding proposal. He said that following a recent visit to Zhuhai, he had the impression that the Mainland authorities were more transparent in presenting the future transport networks beyond BCF in Zhuhai, while there was little information from Hong Kong authorities about the planned transport networks beyond HKBCF. He requested the Administration to provide adequate park-and-ride facilities for visitors arriving at Hong Kong through HZMB.

18. STH responded that the Administration would further examine the suggestion of providing park-and-ride facilities on Lantau Island. On the transport and highway networks connecting HZMB to other parts of Hong Kong, the Project Manager (Hong Kong-Zhuhai-Macao Bridge Hong Kong) advised that as a transportation hub, HKBCF would connect HZMB to different parts of Hong Kong. First, HKBCF would be connected to the North Lantau Highway through which travellers could make their way to Tsing Yi, Kowloon and Hong Kong Island.

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Second, HKBCF was linked up with Tuen Mun area by the Tuen Mun-Chek Lap Kok Link through which road-users could travel to Shenzhen routing Tuen Mun Western Bypass and the Western Shenzhen Corridor. Third, BCF would also link up with the road networks connecting the Hong Kong International Airport and Tung Chung New Town.

Job creation

19. Mr WONG Kwok-hing supported the proposal which was one of the ten major infrastructural projects and could bring about employment opportunities for the construction and renovation workers. He hoped that the Administration could ensure that local workers would be employed, and that job bazaars would be held in Tin Shui Wai and Tung Chung to recruit more workers from these new towns.

20. STH responded that the Administration would encourage the contractors to employ workers especially from Tung Chung and Tin Shui Wai. It was estimated that the HZMB related projects would create 18 000 jobs of a wide variety. As for the employment of local construction workers, she pointed out that local workers would be recruited for projects within the Hong Kong waters. As for those in the Mainland waters, it might be difficult to engage Hong Kong workers.

21. The Chairman put PWSC(2009-10)17 to vote. The Committee approved the proposal.

22. The Chairman put PWSC(2009-10)18 to vote. The Committee approved the proposal.

PWSC(2009-10)20 711CL Kai Tak development – advance infrastructure works for developments at the southern part of the former runway

PWSC(2009-10)21 469CL Kai Tak development – Infrastructure at north apron area of Kai Tak Airport

PWSC(2009-10)22 465CL Kai Tak development – Kai Tak approach channel and Kwun Tong typhoon shelter improvement works

702CL Kai Tak development – Remaining infrastructure works for developments at the former runway

23. The Chairman proposed and members agreed that the three items should be combined for discussion at the meeting.

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A 600-metre opening at the former runway

24. Mr CHAN Kam-lam said that Members belonging to DAB would support the funding proposals. He said that at the PWSC meeting on 6 May 2009, he expressed reservations about the effectiveness of the proposal to improve the water quality of Kai Tak Approach Channel (KTAC) and Kwun Tong Typhoon Shelter (KTTS) by way of a 600-metre opening at the former Kai Tak runway. He was glad to learn that the Administration had undertaken to carry out improvement works to improve the water quality first, and then assess the effectiveness of these measures before proceeding to create a 600-metre opening at the former Kai Tak runway.

25. The Permanent Secretary for Development (Works) (PS(W)) advised that the Administration had noted the concerns of local residents about the proposed 600-metre opening. After completion of the works to intercept polluted discharges and the bioremediation treatment of the sediments in KTAC and KTTS, the Administration would monitor closely the effectiveness of these works in improving the water quality in the area. The findings on improvements in the water quality would be conveyed to the relevant District Councils and LegCo Panels for reference and discussion, before the Administration would decide to proceed to create the 600-meter opening in the Kai Tak runway. In response to the Chairman's enquiry on the Administration's estimation of the effectiveness of the measures in substantially improving the water quality at KTAC and KTTS, PS(W) said that since in-depth studies and a pilot scheme had been conducted in this respect, the Administration was confident that these measures would be able to improve the water quality in the area. As it was necessary to address the concerns of local residents, the Administration would ascertain the effectiveness of the measures before proceeding to open up the former Kai Tak runway.

26. Miss Tanya CHAN said that Members belonging to the Civic Party (CP) had reservations about the 711CL project. Referring to the promenades in Singapore and Sydney, she considered it undesirable for the seaside footpaths of Kai Tak Development (KTD) to run in parallel with carriageways. She added that CP had further discussed with the Administration and hoped that the project would be implemented with some adjustment to the design. She enquired whether it was possible for the Administration to hold a design competition for the waterfront development of KTD, and whether the existing bridge over KTAC should be demolished.

27. PS(W) responded that the Administration was contemplating an open design competition on the landscaped pedestrian deck along the waterfront of KTD to be constructed under stage 2 of the 711CL project. As for the existing taxiway bridge across KTAC, he advised that the bridge was 225 metres long connecting the former runway with Kowloon Bay area. With closely spaced supporting pillars, the bridge would cause obstruction to water flow and water sports activities in KTAC. The Administration's plan was to replace the existing bridge with a new one which would provide more headroom above sea level with less or no pillars.

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28. Mr LEE Wing-tat commented that the improvement works to KTAC and KTTS were complicated. He expressed doubt that the Administration's "three-pronged" approach, i.e. interception of polluted discharges in the hinterland of KTD, application of bioremediation treatment on sediments to oxidize the smelly sulphides and the creation of a 600-meter opening at the former runway, could really solve the long-standing environmental problem. He considered that the DAB's proposal to temporarily withhold works on the 600-meter opening, which had been accepted by the Administration, would add more uncertainty to the effectiveness of the improvement works.

29. PS(W) admitted that it was a challenge for the Administration to resolve the long-standing environmental problem at KTAC and KTTS. Nonetheless, he said that the Administration had gathered experience in using bioremediation treatments to deal with odours and contaminated sediments. He cited the successful clean-up of Shing Mun River and the satisfactory results of the trial treatment of the contaminated sediments at KTAC in 2006 and 2008 using bioremediation method. The Administration was confident that with the completion of the interception and bioremediation works, the water quality and sediments in KTAC and KTTS would be greatly improved in 2013. However, it would be necessary for the Administration to conduct monitoring work and detailed assessment to ascertain the effectiveness of the first two steps of the improvement works before proceeding to open up the runway, as required by the EIA report and to address the concerns raised by the District Councils and local residents. Ir Dr Raymond HO expressed support for adopting the bioremediation method which had proven to be effective in the treatment of Shing Mun River. He said that the Professionals Forum supported the projects.

30. Referring to the views of Mr LEE Wing-tat, Mr CHAN Kam-lam said that DAB had conducted studies and extensive consultation before coming to the proposal of withholding the creation of a 600-metre opening at the old Kai Tak runway until the sewage interception and bioremediation works had been completed. He stressed that the Administration had to act with utmost care and prudence in tackling the environmental problem in KTAC and KTTS. He considered that untimely opening of the runway in the absence of adequate support data could lead to disastrous result such as spill-over of polluted water from KTAC to To Kwa Wan waterfront.

31. On Mr LEUNG Kwok-hung's enquiry about the Administration's works in stopping untreated discharges from Jordan Valley and Kowloon City areas from flowing into KTAC, PS(W) said that in addition to taking enforcement actions against pollution, the Administration would use interception method during dry seasons to direct polluted discharges from the two areas into proper sewage systems for further treatments. As stated in the Administration's paper, the sewage interception works for To Kwa Wan area would be completed before the end of 2009.

32. Mr LEE Wing-tat commented that the Administration had given up professional judgment when faced with local opposition. Mr LEE maintained his view that it would not be possible for the "two-pronged approach" to achieve a desired

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outcome with the improvement of water quality at KTAC and KTTS at a level comparable to that of To Kwa Wan. To facilitate monitoring of water quality in future, he requested the Administration to provide the benchmarking water quality the Administration aimed to achieve before starting the works to open up the runway.

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33. PS(W) re-iterated that the Administration had not given up the "three-pronged approach" to improve the water quality in KTAC and KTTS. In line with the approved EIA, the Administration would closely monitor KTAC, after improvement in the water quality in 2013. The Project Office would provide the benchmarking water quality requested by Mr LEE Wing-tat, and make regular progress reports to the LegCo Panel on Development at six-month intervals once monitoring results were available.

(Post-meeting note: The Administration has provided the benchmarking water quality it aimed to achieve prior to opening up the runway in 2013 via a letter which was circulated to members vide LC Paper No. FC129/08-09 dated 19 June 2009.)

34. Ms Miriam LAU considered that it was not adequate for the Administration to consult only the Provisional Local Vessels Advisory Committee on the improvement projects, since those operating in KTTS would also be affected by the projects. The Project Manager (Kowloon) said that the Administration had met with those operating in KTTS on the improvement projects, and found out what assistance they needed. The Administration would continue to discuss with the affected groups.

35. Mr Albert CHAN recalled that in proposing KTD in 1990s, the Administration had committed to re-develop the older parts in the surrounding areas, i.e. Hung Hom, To Kwa Wan, Wong Tai Sin and Kwun Tong. The Administration also undertook that, to improve the living environment of older areas, affected residents would be moved to new public housing estates within the new KTD, and vacated buildings would be cleared to make way for the construction of leisure areas. He was therefore disappointed that only cruise terminal facilities, helipads and stadiums would be put up in KTD under the revised plan. He criticized that this was a major deviation from the original intention in that KTD had become another case of transfer of interests.

36. PS(W) and the Acting Assistant Director of Planning (Metro) responded that for KTD, the Administration would endeavour to integrate the old and new areas. There would be 21 connection points including footbridges, pedestrian subways and underground streets to link up the old and new areas. Besides, the Administration would make use of KTD to improve the living conditions in surrounding areas, and public housing and community facilities including a regional hospital would be provided.

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37. The Chairman put PWSC(2009-10)20 and PWSC(2009-10)21 to vote. The Committee approved the two proposals.

38. The Chairman put PWSC(2009-10)22 to vote. The Committee approved the proposal with 19 members voting for it, two members against it and seven members abstaining from voting. The individual results were as follows --

For:

Ir Dr Raymond HO Chung-tai	Dr Margaret NG
Mr CHAN Kam-lam	Mr WONG Yung-kan
Ms Miriam LAU Kin-yee	Mr TAM Yiu-chung
Ms Audrey EU Yuet-mee	Mr Vincent FANG Kang
Mr WONG Kwok-hing	Dr Joseph LEE Kok-long
Mr Andrew LEUNG Kwan-yuen	Mr Alan LEONG Kah-kit
Mr WONG Ting-kwong	Mr CHAN Hak-kan
Mr CHAN Kin-por	Miss Tanya CHAN
Dr LEUNG Ka-lau	Mr IP Wai-ming
Mrs Regina IP LAU Suk-yee (19 members)	

Against:

Mr Albert CHAN Wai-yip (2 members)	Mr WONG Yuk-man
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Abstention:

Mr Albert HO Chun-yan	Mr CHEUNG Man-kwong
Mr Frederick FUNG Kin-kee	Mr LEE Wing-tat
Ms Cyd HO Sau-lan	Mr CHEUNG Kwok-che
Mr WONG Sing-chi (7 members)	

Item No. 3 - FCR(2009-10)15

HEAD 47 – GOVERNMENT SECRETARIAT: OFFICE OF THE GOVERNMENT CHIEF INFORMATION OFFICER

HEAD 55 – GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMUNICATIONS AND TECHNOLOGY BRANCH)

HEAD 155 – GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY COMMISSION

HEAD 180 – TELEVISION AND ENTERTAINMENT LICENSING AUTHORITY

39. Mr Andrew LEUNG, Chairman of the Panel on Information Technology and Broadcasting, reported that the funding proposal was discussed at its meeting on

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9 March 2009. The Panel generally supported the funding proposal. Some members, however, considered it necessary to set up a fair and transparent mechanism for processing applications for funding support under the CreateSmart Initiative (CSI). There were also views from members that the Administration should endeavour to bring in more effective measures to promote Hong Kong as Asia's creative capital, provide a favourable environment for creative industries and formulate a long-term strategy on their development.

40. Mrs Regina IP supported the Administration's funding proposal, and welcomed the setting up of the CreateHK Office. She learned from the textile sector that the Hong Kong Trade Development Council had previously brought along local designers to the fashion exhibitions in New York and Paris, to provide a chance for local designers to learn from and exchange experience with other designers, and also build up their brand names in international markets. She enquired whether similar arrangements would be provided under CSI.

41. In response, the Deputy Secretary for Commerce and Economic Development (Communications and Technology) said that as given in paragraph 7(d) of the Administration's paper, one of the objectives of CSI would be to promote Hong Kong's creative industries worldwide to help explore outside markets. Hence, CSI would support different sectors in the creative industries to carry out promotional and marketing projects or to participate in fairs and exhibitions in overseas countries and the Mainland. In 2008, local designers were supported by CSI to participate in a number of fashion fairs in London, New York, Paris and Toronto to promote local products.

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

Item No. 4- FCR(2009-10)16

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Customs and Excise Department

- **New Subhead "Technology refreshment of Air Cargo Clearance System for the Customs and Excise Department"**

43. Mr Vincent FANG, Chairman of the Panel on Commerce and Industry, reported that the Administration had briefed the Panel on the funding proposal on 17 March 2009. The Panel in principle supported the proposal. A Panel member pointed out that it would be necessary for the Administration to upwardly adjust its various performance indicators in a bid to shorten the cargo clearance time.

44. The Deputy Secretary for Commerce and Economic Development (Commerce & Industry) (DS(CI)) advised that the replacement of the ageing

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components of the Air Cargo Clearance System (ACCS) would enable the Administration to reduce the time required for data processing and retrieval in the risk profiling process from six to four minutes as a result of advances in technology. The Administration would review the manual steps of the cargo clearance process after the replacement to see whether there was room for further shortening the clearance time.

45. While supporting the proposal, Ms Miriam LAU enquired whether adequate consultation had been conducted by the Administration to find out if the cargo operators had difficulties in using the new system. She was worried that under the new ACCS, the cargo operators' own IT systems might not be able to interface with the former, and migration to the new ACCS might lead to loss of data or information. She urged the Administration to actively liaise with the sector for trying out the new system before implementation. DS(CI) and the Assistant Commissioner (Excise and Strategic Support) advised that the Administration had consulted the Air Cargo Customer Liaison Group and frontline cargo operators on the new ACCS. The new ACCS would not entail any change to the business work flow or place additional demands on cargo operators' IT systems. No existing records or data would be lost. The Assistant Commissioner (Excise and Strategic Support) reassured the Committee that the Administration would conduct comprehensive test-run with the cargo operators before rolling out the new ACCS.

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

Item No. 5 - FCR(2009-10)17

Head 186 – TRANSPORT DEPARTMENT

• **Subhead 603 Plant, vehicles and equipment**

New Item "Replacement of Specialised Vehicles for the Tsing Ma Control Area"

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

Item No. 6 - FCR(2009-10)18

CAPITAL WORKS RESERVE FUND

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Transport Department

• **New Subhead "Replacement of Tunnel Ventilation Supply Fan System in the Lion Rock Tunnel"**

48. The Chairman put the items to vote. The Committee approved the proposal.

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49. The meeting was adjourned at 6:21 pm.

Legislative Council Secretariat
23 September 2009