

**立法會**  
**Legislative Council**

LC Paper No. FC163/09-10  
(These minutes have been seen  
by the Administration)

Ref : CB1/F/1/2

**Finance Committee of the Legislative Council**

**Minutes of the 25th meeting  
held at the Legislative Council Chamber  
on Friday, 30 April 2010, 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, SBS, 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 WONG Yung-kan, SBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
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 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, SBS, JP  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon CHEUNG Hok-ming, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
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  
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 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 Tommy CHEUNG Yu-yan, SBS, JP  
Hon Ronny TONG Ka-wah, SC

**Public officers attending:**

Ms Julia LEUNG, JP	Acting Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Alice LAU, 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 MAK Chai-kwong, JP	Permanent Secretary for Development (Works)
Mr Philip YUNG Wai-hung, JP	Commissioner for Tourism

Miss Patricia SO Pui-sai	Acting Deputy Commissioner for Tourism
Miss Uson CHUNG	Chief Project Manager 201, Architectural Services Department
Mr IP Kwai-hang	Acting Head of Civil Engineering Office, Civil Engineering and Development Department
Mr Joseph CHAN Chun-shing	Chief Engineer (Boundary Control Point), Civil Engineering and Development Department
Ms Sophia CHIANG Chui-wan	District Lands Officer (District Lands Office, North), Lands Department
Mr Raymond WONG Wai-man,	Assistant Director of Planning (Territorial)
Mr FUNG Hing-wang, JP	Commissioner for Census and Statistics
Mr Stephen LEUNG Kwan-chi	Senior Statistician (Development), Census and Statistics Department
Ms Jenny CHAN Wai-man	Principal Assistant Secretary (Financial Services), Financial Services and the Treasury Bureau
Mr Kenneth CHEN Wei-on, JP	Under Secretary for Education
Ms Michelle LI Mei-sheung, JP	Deputy Secretary for Education
Mr Michael STONE, JP	Secretary General, University Grants Committee

**Clerk in attendance:**

Mrs Constance LI	Assistant Secretary General 1
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**Staff in attendance:**

Ms Anita SIT	Chief Council Secretary (1)5
Miss Joanne FONG	Senior Council Secretary (1)7
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Christy YAU	Legislative Assistant (1)1

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**Item No. 1 - FCR(2010-11)7**

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 14 APRIL 2010**

The Chairman said that items PWSC(2010-11)1 and PWSC(2010-11)2 under FCR(2010-11)7 would be discussed and voted on separately.

2. The Chairman put the remaining items under FCR(2010-11)7 to vote. The Committee approved the items.

**PWSC(2010-11)1**

**Cruise terminal building and ancillary facilities for the Kai Tak cruise terminal development**

3. The Chairman advised that the proposal was to upgrade 7GA to Category A at an estimated cost of \$5,852.1 million in money-of-the-day (MOD) prices for the construction of the cruise terminal building and ancillary facilities for the Kai Tak cruise terminal development.

Design and facilities of the cruise terminal

4. Mr WONG Kwok-hing expressed support for the project. He enquired if there would be adequate parking spaces at the proposed cruise terminal, and whether the Administration had provided for a railway linkage system in the planning of the cruise terminal development.

5. The Permanent Secretary for Development (Works) (PS(W)) advised that adequate parking spaces would be provided at the cruise terminal. There would be about 126 parking spaces for private vehicles, in addition to the picking-up and dropping-off areas for taxis and public minibuses. Additional parking spaces for coaches would be available with the completion of the tourism node next to the cruise terminal building. The Kai Tak Office of the Kowloon Development Office under the Civil Engineering and Development Department was conducting a feasibility study on the future provision of an environmentallyfriendly transport system for Kai Tak and adjoining districts which would be connected to the cruise terminal. The Administration would revert to the Legislative Council when the outcome of the feasibility study was available.

6. In response to Mr WONG Kwok-hing's enquiry about the green features of the cruise terminal, PS(W) advised that the Administration attached great importance to green initiatives in the planning of the cruise terminal. Referring to the supplementary information tabled at the meeting (LC Paper No. FC102/09-10(01)), he said that there would be a landscaped deck on the roof of the cruise terminal building

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with half of the area covered with turf and plants of various species to provide a green environment. There would also be features to save energy.

7. Noting that the male to female ratio for the provision of sanitary fitments had recently been changed to 1:1.25, Mr IP Wai-ming asked the basis for arriving at the new ratio, and the planned provision of female toilets at the cruise terminal. The Chief Project Manager 201, Architectural Services Department (CPM201, ArchSD) advised that the Buildings Ordinance specified the requirement on the minimum provision of sanitary fitments in every building, while the ratio of 1:1.25 was incorporated in the guidelines issued by the Buildings Department. In the design of the cruise terminal building, 98 male toilets and 124 female toilets would be provided, which was about 40% above the minimum requirement of sanitary fitments for the public.

8. Mr IP Wai-ming and the Chairman requested the Administration to review the minimum requirement of sanitary fitments in public places with a view to providing more female sanitary fitments in both public and private projects. PS(W) pointed out that the ratio of 1:1.25 was issued rather recently in 2005. As regards the sanitary fitments in the cruise terminal building, these would be at different locations to provide greater convenience to visitors. He agreed to consider the suggestion of increasing the provision of female toilet facilities in public buildings at an appropriate time.

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9. Ir Dr Raymond HO commented that the construction costs for the cruise terminal building would be much lower if it was implemented three years ago. It would save time and money if the Administration had properly gauged the views of the public at a much earlier stage. Regarding the timing for the completion of infrastructural facilities in the vicinity of the cruise terminal, such as the greening and transport facilities, Ir Dr HO asked if it would coincide with the completion of the cruise terminal project in mid-2013. He was concerned that the presence of the construction sites near the terminal building would give a bad impression to tourists on arrival.

10. PS(W) responded that the Development Bureau had proceeded with the project at the fastest pace ever since it had taken over the project. Ir Dr Raymond HO said that he noted that the Development Bureau was not responsible for the delay; he hoped there would be better co-ordination among government departments in taking forward public works projects.

11. As regards the timetable for the project, PS(W) advised that since the Kai Tak Development would be implemented in three phases, i.e. in 2013, 2016 and 2021 respectively, there would be infrastructural works going on when the cruise terminal building was completed in 2013. As an interim measure, the Administration would smooth the passageway leading to and from the terminal. The Administration believed that tourists on arrival would not stay long in the vicinity of the cruise terminal building but would proceed immediately to the inland of the territory for sightseeing.

12. In response to the Chairman, PS(W) advised that the design of the walk-in "Box Beam" for housing building services installation would allow for easy maintenance and replacement without affecting the operation of the terminal, and the column-free space could be used for purposes such as exhibitions and conventions during non-peak seasons. On the use of the column-free space, the Chairman urged that the government departments concerned should work out a plan for sharing the use of similar facilities at the Hong Kong International Airport, the Hong Kong Exhibition and Convention Centre, and the future Kai Tak cruise terminal building. As regards whether such features were found in other public works projects in Hong Kong, CMP201, ArchSD advised that those design features were new in Hong Kong, and might not be achievable in other public works projects.

#### Tender procedure and public consultation

13. Prof Patrick LAU asked if the project would adopt the design-and-build approach, as the design of the cruise terminal was not available to the professionals or the trade. He asked about the tendering arrangements for the cruise terminal development project and whether the lowest bid would be awarded the contract.

14. The Chairman said that ArchSD had recently informed the Panel on Administration of Justice and Legal Services that the design-and-build concept had been adopted for projects such as the West Kowloon Law Courts Building. PS(W) advised that design-and-build contracts were adopted by ArchSD for a considerable number of public works projects in recent years and these had proved to be successful. With regard to the cruise terminal development project, the tendering exercise was in effect a small scale design competition and a total of four companies had submitted their bids. In accordance with the internal guidelines, a marking scheme was used for assessing the bids. ArchSD had calculated the total scores according to the marking criteria for design and tender price of the individual bids, before submitting the tenders to the Central Tender Board for consideration. According to the approved tender marking scheme, the contracts were not offered to the lowest bid but the one with the highest combined score in the design and tender price. The prices of the unsuccessful bids would not be disclosed as they involved commercial information.

15. Referring to the exhibition of designs for the Tamar Complex project, Prof Patrick LAU asked why no exhibition was held for the Kai Tak cruise terminal project, as both projects adopted the design-and-build contract method. PS(W) explained that for the Tamar Complex project, there was a special arrangement for exhibiting the tender designs and a special committee had been set up to examine these designs. However, it was impracticable for the Administration to adopt the same approach for the many public projects at hand, especially when there was urgency in implementing the cruise terminal development project.

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16. Prof Patrick LAU requested the Administration to display the design proposals on the cruise terminal project and those on future public works projects of wide public interest, so that the public could view and give comments on the proposed designs. PS(W) said that there were intellectual property right issues here as the tender conditions did not require the unsuccessful tenderers to display their design proposals publicly. He agreed to find out whether the design proposals from bidders could be exhibited after the tendering exercise.

17. Prof Patrick LAU and the Chairman called on the Administration to consult the public on the designs of public works projects which would be of wide public interest, such as the North Lantau Hospital and West Kowloon Laws Court Building. Ms Cyd HO expressed similar view, and said that users should be consulted on important public works projects and those with high public patronage such as the future leisure and cultural facilities in the Western Kowloon Cultural District.

18. Ir Dr Raymond HO commented that the current tendering procedure adopted by the Administration for public works projects was well established, which was the outcome of many years of discussion with the industries, and was considered fair and effective. He was of the view that the Administration had been flexible in the tender approach by incorporating a competition element for the cruise terminal development project. On the intellectual property issue of the design proposals, he suggested that the consent of the bidders be sought for providing simple diagrams/images of the designs for public display purpose.

19. Ms Cyd HO expressed concern about the monitoring of the future operation of the cruise terminal building and the facilities, if such facilities were to be managed by a contractor selected through tender. The Commissioner for Tourism (C for T) advised that the Government would own the cruise terminal. Upon completion of the construction works, the Government would lease the cruise terminal to an operator. The Government would invite qualified and experienced companies to bid for the tenancy under an open tender exercise. The Government was now drafting the tenancy document with reference to international experience as well as the advice of the Advisory Committee on Cruise Industry and the cruise industry. The Panel on Economic Development would be consulted in due course. In reply to Ms Cyd HO's further enquiry, C for T advised that both local and overseas companies would be invited to bid for the tenancy.

Competitiveness of the cruise terminal

20. Ms Cyd HO asked how the cruise facilities of the Kai Tak cruise terminal development compared with those in the Asian region, and to what extent the Kai Tak cruise facilities would enhance Hong Kong's competitiveness in tourism such as ranking in world. She also asked if there were any plans for expansion to maintain the competitiveness of the cruise terminal.

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21. C for T advised that the proposed cruise terminal would be able to berth the biggest cruise vessels in the world. It would also provide supporting facilities to cope with the daily passenger throughput of 9 200 to 16 800 visitors. The Administration was confident that the cruise terminal at Kai Tak would assume a high ranking among the other cruise terminals in Asia. On maintaining the competitiveness of the cruise terminal, the Administration would closely monitor the construction works, step up promotion of the cruise industry, and continue to provide training opportunities for the cruise industry. It was hoped that with the provision of a competitive and world-class cruise terminal in 2013 and the second berth in 2014, Hong Kong would become a leading cruise hub in the region. By 2015, Hong Kong would be able to provide two berths for the largest cruise vessels in the world. The Administration would take into account the development of the cruise industry, the urban planning of the Kai Tak development area and other relevant considerations in considering whether the expansion of the cruise terminal would be necessary and feasible.

Creation of job opportunities

22. In reply to Mr WONG Kwok-hing, PS(W) advised that the proposed works would create about 2 940 jobs providing a total employment of 79 400 man-months. There would be a number of job opportunities provided under this project before 2013.

23. Mr IP Wai-ming expressed concern that the concurrent implementation of several large-scale public works projects including the Kai Tak cruise terminal would pose heavy demand on labour and might again lead to importation of labour. PS(W) replied that having regard to the current circumstances, the Administration did not see the need to import labour for the implementation of this project.

24. Mr LEE Cheuk-yan expressed concern that the increased use of prefabricated components from the Mainland would reduce the job opportunities for local workers. He asked the Administration to undertake to minimize the use of prefabricated components for the Kai Tak cruise terminal development project so as to provide more job opportunities to local workers. PS(W) responded that while the Government was committed to providing local workers with more job opportunities, it would not be appropriate for it to specify that no imported prefabricated components would be used for public building works in Hong Kong, given the space limitations of Hong Kong. Since the cruise terminal building project was already in progress, the Administration would take into account Mr LEE's suggestion when planning for Phase 2 and Phase 3 of the Kai Tak development works in 2016 and 2021 respectively.

25. CMP201, ArchSD supplemented that the design of the cruise terminal building was similar to that of a bridge, requiring the use of prefabricated components. An area near the construction site of the cruise terminal building had been earmarked



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for making these prefabricated components. It was estimated that this initiative would provide job opportunities for local workers.

26. Mr LEE Cheuk-yan asked whether there would be a permanent site for local manufacturing of prefabricated components for all infrastructural works of the Government. PS(W) acknowledged that this was a long-standing issue discussed in the industry, and the Administration would consider Mr LEE's suggestion having regard to the requirements of individual public works projects. He explained that given the space constraint in Hong Kong, it would be difficult to allocate land for the purpose of establishing a permanent prefabrication yard, and the huge demand of prefabricated components at times of peak periods would mean the components for some large-scale building works such as flyovers and tunnels would have to be imported.

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

**PWSC(2010-11)2**

**Liantang/Heung Yuen Wai Boundary Control Point and associated works**

28. The Chairman advised that the Committee's approval was sought to upgrade part of 13GB to category A at an estimated cost of \$51.3 million in MOD prices to provide a village resite area with supporting infrastructure at Ta Kwu Ling for reprovisioning of the existing Chuk Yuen Village to allow for the construction of the Liantang/Heung Yuen Wai Boundary Control Point (BCP). The PWSC had considered and endorsed the proposal at its meeting on 14 April 2010.

Stream diversion and tree removal

29. Referring to paragraph 4 of the supplementary information tabled at the meeting (LC Paper No. FC102/09-10(04)), Mr WONG Kwok-hing expressed concern that the stream improvement works would have adverse impact on the ecology and the natural environment of the Chuk Yuen Village resite area. He urged the Administration to preserve the ecology of the stream and to enhance greening of the area in reprovisioning the Chuk Yuen Village.

30. The Head of Civil Engineering Office, Civil Engineering and Development Department (H of CEO, CEDD) advised that having regard to the relatively low ecological value of the stream, the proposed stream diversion and improvement works were considered to be a more appropriate arrangement. CEDD would comply with the requirements stipulated in the environmental permit for the stream improvement works, including carrying out the proposed works during the dry season so as to avoid flooding, and using rubbles to form the stream bed and gabions to stabilize the side slopes to preserve the existing ecological conditions of the stream. Chief Engineer (BCP), CEDD (CE(BCP), CEDD) added that CEDD would

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implement the measures as required under the environmental permit issued by the Environmental Protection Department, and also those recommended in the Preliminary Environmental Review to control the environmental impact of the proposed works.

31. In reply to the Chairman, CE(BCP), CEDD advised that after diversion, the stream would be widened from one metre to 1.5 metres.

32. Responding to Mr WONG Kwok-hing, CE(BCP), CEDD advised that the Administration would strive to minimize tree felling or removal in taking forward public works projects. For the current project, 48 trees would need to be felled after taking into account their health conditions, aesthetic value and survival rate after transplantation. Under the planting proposals, 80 trees and 7 500 shrubs would be planted to enhance greening of the village resite area.

33. H of CEO, CEDD stressed that CEDD had many rounds of discussions with the Chuk Yuen Village Removal Committee (VRC) and Chuk Yuen Village Resite Planning and Design Group (VRPDG) on the layout and ancillary facilities of the proposed resite area. The current layout was firmed up after thorough discussions and with the agreement of VRC and VRPDG. Since the setting up of the VRC in November 2008 and the VRPDG in June 2009, six VRC meetings and eight VRPDG meetings had been held.

Consultation with villagers of Chuk Yuen Village

34. Mr CHEUNG Hok-ming said that he had received some opposing views from the villagers on the site selection and the layout of the proposed resite area, though he noted that the Administration had discussed and obtained agreement from the VRC and VRPDG on the layout of the proposed resite area. In this connection, he informed members that a few households of the village were dissatisfied with the proposed resite area as it was close to the landfill and burial ground. These households had requested the Administration to find another site for reprovisioning the Village. He enquired if these views of individual villagers had been fully considered and voted on at the VRC and VRPDG meetings, and whether these individual villagers had accepted the present proposal before PWSC and FC were invited to consider and approve the proposal.

35. District Lands Officer (District Lands Office, North), Lands Department (DLO (North), LandsD) advised that the current site and layout of the proposed resite area had been agreed by the VRC at its meeting. The Administration would follow up the requests of individual eligible building land owners separately and continue to liaise with them. DLO(North), LandsD further advised that the proposed site was proposed by the VRC as they turned down the other alternatives provided by the Administration. Most of the eligible building land owners were willing to be resited to the proposed area from the "feng shui" point of view. As for those eligible building land owners who decided not to move to the resite area, the Administration

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would provide compensation to them according to the existing New Territories Village Removal Policy (VRP).

Site formation of the resite area vis-à-vis flooding in New Territories

36. Ms Cyd HO noted that there were about 2 400 hectares of land with some 400 villages in the northern part of the New Territories, and that Chuk Yuen Village was the first village to be resited. Ms Cyd HO expressed concern about the approach of the site formation works for the proposed village resite area to prevent flooding in future. Noting that the flood level in the vicinity areas during heavy rainstorm could reach 13.3 metres above the principal datum, the village resite area would have to be formed at a proposed level of 15.5 metres above principal datum, Ms Cyd HO asked whether the same approach would be adopted for site formation of other village resiting projects. Despite the fact the villagers concerned had agreed to the proposed approach and that the Environmental Impact Assessment did not reveal adverse environmental impacts in the vicinity areas, Ms HO considered that the natural topography of the site should be followed as far as possible. She also urged the Administration to formulate long-term strategy for designing stormwater drainage system during site formation in future village resiting projects.

37. PS(W) advised that in designing the site formation works of the future resiting projects, the Administration would have regard not only to the conditions of the individual site, but also the scale of the village resiting project, the natural environment of the resite area, and the existing drainage and sewerage systems of each individual village, etc. The Administration had discussed the current design of land formation of a site of 2.2 hectares with the villagers of Chuk Yuen Village eight times before drawing up the floor plan. Most villagers would like to see more flat land in the proposed resite area. Consideration had also to be given to providing convenient access to the elderly and adequate room for emergency vehicular access.

38. H of CEO, CEDD advised that elevating the level of the proposed resite area by about two metres would not have adverse impacts on stormwater discharge in the adjacent areas, as revealed by the drainage impact assessment study. Moreover, the drainage system in the proposed village resite area and the stream diversion works were designed to meet the current stormwater drainage system design standard. H of CEO, CEDD further advised that the Government had an overall strategic plan to tackle flooding in New Territories North. According to information provided by the Drainage Services Department, the "Drainage Master Plan Study in the Northern New Territories" was completed in 1999. In 2008, the Administration conducted a review of the Drainage Master Plan with a view to formulating more flood protection measures including river training works for the area, and formulating stormwater discharge impact assessment procedures to minimize the adverse impacts brought about by the implementation of public development projects to the adjacent areas. The Administration had also completed the Phase 1 to Phase 3 river training works for the Shenzhen River, and estimated that Phase 4 would be completed by 2017. Besides, several stormwater discharge system improvement works projects under the

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Drainage Services Department were in progress or in the planning stage to further improve the drainage system in the northern New Territories.

39. The Chairman asked how the resite area would connect with the adjacent area if the site would be elevated by about two metres. H of CEO, CEDD explained that the elevation of the resite area by 0.5 to two metres was mainly to facilitate its connection with Lin Ma Hang Road which was at a higher level and would be descending into the village resite area. The Administration had followed the existing topography of this road when designing the site formation works of the village resite area. After elevation, the village resite area would be 15.5 metres high vis-à-vis the flood level of 13.3 metres in the vicinity areas during heavy rainstorms, and this would facilitate drainage and sewerage works. The elevation of the site formation had taken into account professional advice and was the lowest level possible.

40. In reply to the Chairman, H of CEO, CEDD advised that the villagers generally preferred raising the village resite area to a level not obstructing the external view. The current design of the site formation of the proposed village resite area was made in accordance with the wish of the villagers.

41. Ir Dr Raymond HO remarked that the Government had rich experience in implementing drainage works in the New Territories, and such works required expertise such as river training. Ir Dr Raymond HO asked whether there were outstanding drainage projects in the New Territories requiring further funding from FC. PS(W) advised that since 1997, the Administration had completed 26 and 16 flood prevention projects in the North-western part of the New Territories and Northern New Territories respectively costing a total of \$7,700 million. Besides, the first three stages of the river training works of the Shenzhen River had also been completed. With the completion of these projects, the flooding problem in the New Territories had greatly improved. Dr HO advised that the Administration should maintain close liaison with the residents affected in the implementation of drainage works and village removal.

Size of the resite houses

42. Referring to the supplementary information tabled at the meeting (LC Paper No. FC102/09-10(04)), Prof Patrick LAU asked why the resite house would be of a size larger than the existing ones in Chuk Yuen Village. He sought details of the housing compensation arrangement for the villagers in the resite area. DLO (North), LandsD advised that under the current VRP, eligible building land owners in Chuk Yuen Village would be given two options in building a resite houses in the resite area, namely, (i) the Government would provide a resite house site having an area of 700 sq. ft. with a building allowance for construction of the resite house so that the resite house would be built by the building lot owners themselves; or (ii) the Government would construct resite houses for them. Each resite house in the resite area would be 700 sq. ft. of three storeys high.

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43. DLO (North), LandsD clarified that most existing houses erected on building land in Chuk Yuen Village were 700 sq. ft. in size and indeed there were a number of existing squatters within Chuk Yuen Village each having an area less than 700 sq. ft.. In accordance with the VRP, each eligible new grant building lot would be compensated by a resite house of 700 sq. ft. and three storeys high. The size of the resite houses in the Chuk Yuen Village resite area was same as a Small House. She further explained that under the VRP adopted since 1930s, in order to expedite the process of acquisition of large-scale of land including indigenous villages, the Government had provided a compensation package with due respect to the traditions of established villages in the New Territories.

44. Ir Dr Raymond HO expressed support for the resite arrangements which were made in accordance with established policies and after close consultation with the villagers concerned.

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

**Item No. 2 - FCR(2010-11)8**

**HEAD 26 – CENSUS AND STATISTICS DEPARTMENT**

**Subhead 700 General non-recurrent**

**New Item “59th World Statistics Congress”**

46. The Chairman advised that the Committee's approval was sought for the creation of a new commitment of \$15.2 million for organizing the 59<sup>th</sup> World Statistics Congress of the International Statistical Institute in 2013. The Financial Services and the Treasury Bureau had provided an information paper (CB(1)1434/09-10(01)) on 22 March 2010 to the Panel on Financial Affairs about the proposal.

47. Mr WONG Kwok-hing expressed support for Hong Kong hosting the 59<sup>th</sup> World Statistics Congress (WSC). He asked how the Administration had come up with the estimated number of visitors (2 700) and the estimated tourist receipts of \$27 million in hosting the event. The Commissioner for Census and Statistics (C for C&S) replied that the estimation of visitors for the 59<sup>th</sup> WSC was based on previous experience of similar events hosted by South Africa, Portugal, Sydney, etc.

48. In reply to the Chairman, C for C&S advised that the 59<sup>th</sup> WSC was scheduled to be held between 25 and 30 August 2013 to facilitate attendance by academics. The Administration had reserved venues with the Hong Kong Exhibition and Convention Centre for the event.

49. Mrs Regina IP welcomed the proposal of hosting the event and asked about the reasons for choosing to host the event in 2013. C for C&S explained that

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the timing for hosting the event was determined by the International Statistical Institute (ISI). Every ten years, ISI would invite a city on the five continents to host the biennial event. For Asia, Toyko held the event in 1980s, Beijing in 1990s and Seoul in 2000s. In 2006, ISI decided to hold the biennial session in a renowned Asian City in 2010s and invited Hong Kong and India to consider hosting the 59<sup>th</sup> WSC in 2013. Hong Kong's bid was finally accepted by ISI in June 2007. It was an honour for Hong Kong, as a non-capital city, to be selected for hosting the event.

50. In response to Mrs IP's enquiry if the Administration would consider issuing special stamps for the event, C for C&S said that he would liaise with the Postmaster General on the matter.

51. Mrs Sophie LEUNG expressed support for Hong Kong hosting this event and similar events in future. She enquired if the Administration would consider inviting local organizations in planning and organizing the 59<sup>th</sup> WSC, so as to enrich their experience in organizing events of similar nature in future.

52. C for C&S advised that WSC was a non-governmental organization with membership open to governmental and non-governmental entities or individuals. Apart from the Main Session, the Administration would also take the opportunity of the 59<sup>th</sup> WSC to organize satellite meetings in collaboration with local academic/professional institutes and nearby cities in the Mainland and neighbouring countries. The Administration had invited members of Hong Kong Statistical Society and universities in Hong Kong as members of the Organizing Committee of the event.

53. Mrs Sophie LEUNG asked whether the Administration would invite local organizations to take up the planning and preparatory work of the 59<sup>th</sup> WSC. C for C&S advised that it was ISI's intention for the official statistical authority of the hosting city to undertake planning and co-ordination of the event. The Administration would engage professional services of conference and event management companies where necessary.

54. Mrs Sophie LEUNG reiterated that it was important to provide opportunities to local organizations to organize events hosted by the Government. C for C&S responded that the Administration would seek to identify more work for the local organizations as far as practicable under the event.

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

**Item No. 3 - FCR(2010-11)9**

**HEAD 190 – UNIVERSITY GRANTS COMMITTEE**

**Subhead 700 General non-recurrent**

**New Item “Fifth matching grant scheme for local degree-awarding institutions”**

56. The Chairman advised that the Committee's approval was sought for a new commitment of \$1,000 million for awarding grants to University Grants Committee (UGC)-funded institutions, the Hong Kong Academy for Performing Arts (HKAPA) and three self-financing degree-awarding institutions (including Chu Hai College of Higher Education (CHC)) to match the private donations they secured. The Panel on Education discussed the proposal on 12 April 2010.

57. At the invitation of the Chairman, Ms Cyd HO, Chairman of the Panel on Education, advised that the first three rounds of the Matching Grant Scheme (MGS) covered programmes of degree or above level for the UGC-funded institutions. Further to the expansion of the Scheme to cover the two self-financing universities, namely, the Open University of Hong Kong (OUHK) and the Hong Kong Shue Yan University (HKSYU) in the fourth round, the Administration proposed that the fifth round should include the other two degree-awarding institutions, namely, HKAPA which was under the auspices of the Home Affairs Bureau and the self-financing CHC.

58. Ms Cyd HO reported that while Panel members supported the proposal in general, they unanimously expressed the view that the scope of the Fifth MGS should be expanded to cover sub-degree education including associate degree programmes. They were of the view that in the absence of Government's policy support in the MGS, the tertiary institutions would not have the incentive to raise funds for the sub-degree programmes. Panel members hoped that the scope of the Fifth MGS could also cover sub-degree education including associate degree programmes, as the financial commitment in the proposed fifth round of the Scheme would not be affected.

Expansion of MGS to cover self-financing sub-degree education

59. Mr CHEUNG Man-kwong expressed concern that the scope of the four rounds of the MGS covered only programmes at degree level and above. While he appreciated that the Scheme had been extended to cover the other two degree-awarding institutions, namely, HKAPA and CHC in the fifth round, he was concerned that not providing matching grants for funds raised for the associate degree programmes would discourage fund raising efforts for these programmes. When the current proposal was discussed by the Panel on Education, members considered it unfair that students of the associate degree programmes had to pay high tuition fees for these self-financing programmes.

60. The Under Secretary for Education (USED) responded that the Administration had taken note of the views and concerns expressed by members of the Panel on Education at the meeting. As resources were limited, the Administration would have to accord priorities in the allocation of resources. It was also necessary to diversify the funding sources for higher education. In order to support the development of the self-financing higher education sector, the Administration had extended MGS to the self-financing higher education institutions, namely, OUHK and HKSYU in the fourth round and to CHC in the fifth round of the Scheme. Other schemes such as Land Grant Scheme, Start-up Loan Scheme and Quality Enhancement Grant Scheme were in place to support the development of the self-financing higher education sector. The Administration was also committed to providing assistance to students enrolled in self-financing programmes through various grants and loans schemes. USED stressed that given resource constraints, it was the Administration's intention to focus MGS on the higher education sector in the first instance, and expand in a progressive manner to other areas as deemed appropriate.

61. Mr CHEUNG Man-kwong said that the grants and loans schemes were also applicable to students of funded degree programmes, in addition to the Government subsidy to 82% of the tuition fees of the UGC-funded degree programmes. He criticized that the Government adopted discriminatory treatment against students taking the self-financing sub-degree programmes.

62. The Chairman, Mr CHEUNG Man-kwong and Ms Cyd HO asked when MGS would be extended to cover the self-financing sub-degree programmes including associate degree programmes. Mr CHUENG and Ms HO pointed out that it was the consensus view of members of the Panel on Education that MGS should be extended to associate degree programmes, when the current proposal was discussed at the Panel. Ms HO further asked under what circumstances would the Administration consider extending MGS to cover self-financing sub-degree programmes. USED replied that the matter would be considered from the overall policy angle, and the Administration did not have a timetable for the future plan of MGS yet.

63. Mr CHEUNG Man-kwong asked whether the Administration had consulted the UGC-funded tertiary institutions on the possibility of expanding the scope of the MGS to cover the self-financing sub-degree sector in the Fifth MGS, and whether such extension could be considered in the sixth MGS.

64. USED responded that in liaising with UGC and its funded tertiary institutions about the Fifth MGS, the Administration was given to understand that the UGC-funded tertiary institutions would appreciate extra resources from the Government to facilitate the development of the higher education sector. In this connection, the Administration would need to assess the resources required for expanding the scope of the Scheme to cover the self-financing sub-degree sector if it was to be included in the Sixth MGS.



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65. The Secretary-General, UGC advised that it was for the Government to consider the policy of whether to expand the scope of MGS to cover the self-financing sub-degree sector. He pointed out that the self-financing programmes offered at all levels in the UGC-funded institutions were not covered by MGS. While UGC-funded tertiary institutions would not object to expanding the scope of MGS to cover the self-financing sub-degree sector, he had yet to discuss with the UGC-funded institutions on the matter, and additional Government funding would likely be required.

66. Mr CHEUNG Man-kwong asked why the Administration did not agree to include self-financing sub-degree programmes in the Fifth MGS since no additional fundings would be required in this round of the Scheme. USED advised that including the self-financing sub-degree programmes in the current round of MGS would inevitably lead to a reduction in the matching grant received by each of the target 12 funded institutions. The Deputy Secretary for Education added that there were currently over 20 institutions which offered sub-degree programmes, including those offered by the continuing education arms of the UGC-funded institutions. The share for each institution would become smaller if the scope of MGS were to be expanded to cover the self-financing sub-degree sector. USED added that the Administration acknowledged the need for providing assistance to students studying self-financing sub-degree programmes and had expanded the various student loan and grant schemes for this purpose.

67. In response to the further enquiry by Mr CHEUNG Man-kwong and the Chairman, USED and Deputy Secretary for Education advised that under the current proposal, only publicly-funded programmes (including sub-degree programmes) under the ageis of the UGC-funded tertiary institutions were eligible for matching. Funds raised for the self-financing programmes at all levels in the UGC-funded institutions would not be matched.

68. The Chairman expressed grave concern that the Administration did not take on board suggestions which had the unanimous support of Members. Ms Cyd HO considered that whether an institution was eligible for receiving matching grants under MGS should not be determined by the nature of programmes it provided, and that MGS should benefit the local students irrespective of what programmes they were studying.

69. USED reiterated that the Administration had provided various schemes to support the development of the self-financing institutions and the grants and loans schemes to subsidize needy students enrolled in the self-financing sub-degree programmes. The current task for the Administration at this stage was to diversify the funding source of the higher education sector.

70. Dr Priscilla LEUNG said that it was really difficult to raise funds even for the degree programmes in the higher education sector. She urged the Administration to review the current policy and provide more support to the

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fund-raising initiatives of the tertiary institutions, including those for the self-financing sub-degree programmes.

71. USED replied that the Administration recognized the difficulties for the higher education sector to raise funds for both degree and associate degree programmes. He stressed that the Administration had demonstrated its commitment in the development of the higher education sector through MGS, and to the self-financing sub-degree sector through various forms of subsidies other than MGS. The Administration had considered the economic situation when planning the Fifth MGS, and the purpose of MGS was to diversify the funding source of the higher education sector.

72. Mrs Sophie LEUNG opined that details of MGS and the use of the matching funds had been set out in FCR(2010-11)9, and it would be for the Panel on Education to follow up the views and suggestions expressed by members.

73. Ir Dr Raymond HO affirmed the support of The Professionals Forum on the proposal. He recapitulated that self-financing sub-degree education including associate degree programmes was proposed following the former Chief Executive's announcement to increase the student ratio entering degree-awarding institutions to 60%. Since the introduction of the self-financing sub-degree programmes, there had been concerns about the high tuition fees of these programmes and the discrepancy in Government funding for the degree programmes and the self-financing sub-degree programmes. He considered that the sub-degree programmes were part of the higher education and the Administration should increase its subsidies to the self-financing sub-degree programmes given the current level of financial reserve of the Government. He urged the Administration to review the current policy in respect of sub-degree education in light of the views and concerns of members expressed at the meeting, and make recommendations for further discussion by the Panel on Education.

74. The Chairman remarked that in a FC meeting when considering a proposal related to the Government's expenditure on research and development (R&D) in Hong Kong, it was revealed that the financial provisions on R&D in Hong Kong from the Government was far below that provided by the Shenzhen Government. In response, USED referred members to the supplementary information provide to FC (LC Paper No. FC102/09-10(02)), and advised that the eligible funded institutions could make use of the matching grants to generate income for research activities. While acknowledging that government expenditure on R&D in Hong Kong was relatively small, he pointed out that funding from the business sector on R&D was increasing (from the government and business sector ratio of investment of \$1 to \$0.5 in 2002 to the present \$1 to \$1), though it still lagged behind other countries such as US and South Korea where the government and business sector ratio in R&D investment was \$1 to \$3.

75. The Chairman requested the Administration to review its policy on sub-degree programmes and the R&D expenditure taking into account views and

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suggestions expressed by members. She advised that these matters should be followed up by the respective Panels.

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

77. The meeting was adjourned at 5:13 pm.

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