

立法會
Legislative Council

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(These minutes have been
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Finance Committee of the Legislative Council

**Minutes of the 1st meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 15 November 2013, at 4:30 pm**

Members present:

Hon NG Leung-sing, SBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Dr Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon Starry LEE Wai-king, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, BBS
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon Steven HO Chun-yin
Hon Frankie YICK Chi-ming
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon Martin LIAO Cheung-kong, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members absent:

Hon Jeffrey LAM Kin-fung, GBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Dr Hon LEUNG Ka-lau
Hon WU Chi-wai, MH
Hon CHUNG Kwok-pan

Public officers attending:

Professor K C CHAN, GBS, JP	Secretary for Financial Services and the Treasury
Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Ms Francoise CHOW Bing-ying	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Ms Kitty CHOI, JP	Director of Administration
Mr David CHIU	Principal Executive Officer (Administration), Administration Wing
Mr Howard CHAN, JP	Deputy Director of Environmental Protection (2)
Dr Ellen CHAN, JP	Assistant Director of Environmental Protection (Environmental Infrastructure)
Mr Michael TSING	Officer-in-Charge (Refuse Transfer Station Development), Environmental Protection Department
Mr Thomas CHAN Chung-ching, JP	Deputy Secretary for Development (Planning and Lands) 1
Mr LAW Kin-wai	Principal Assistant Secretary for Development (Planning and Lands) 7
Ms Bernadette LINN, JP	Director of Lands
Mr LAW Hin-wing, JP	Assistant Director of Lands (Acquisition)

Clerk in attendance:

Mr Andy LAU

Assistant Secretary General 1

Staff in attendance:

Mr Derek LO

Chief Council Secretary (1)5

Mr Daniel SIN

Senior Council Secretary (1)7

Mr Ken WOO

Senior Council Secretary (1)5

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Christy YAU

Legislative Assistant (1)7

Action

Item No. 1 – FCR(2013-14)34

HEAD 184 – TRANSFERS TO FUNDS

Subhead 990 Payment to the Disaster Relief Fund

The Chairman said that the item sought the Committee's approval of a supplementary provision of \$40 million to enable an injection to be made to the Disaster Relief Fund ("DRF").

2. At the invitation of the Chairman, Director of Administration ("D of Admin") gave an introduction and thanked the Chairman for agreeing to waive the necessary notice requirement to include this urgent item in the agenda for today's meeting. D of Admin said that DRF was set up on 1 December 1993 by a resolution made by the Legislative Council under section 29 of the Public Finance Ordinance (Cap. 2). Its objective was to provide a ready mechanism for Hong Kong to respond swiftly to international appeals for humanitarian aids in relief of disasters that occurred outside Hong Kong. An initial amount of \$50 million was appropriated from the General Revenue. The Fund would be topped up at the beginning of each financial year and, as necessary, during the financial year.

3. D of Admin added that the Super Typhoon Haiyan recently hit the Philippines causing extensive damages and numerous casualties. The Secretariat of the DRF Advisory Committee ("DRFAC") noted that some relief organizations had indicated intention to apply for DRF grants to provide emergency relief to the typhoon victims in the Philippines. As the indicative aggregate amount of grants required exceeded the current balance of DRF (which was about \$9 million), the Administration considered it necessary to top up DRF to meet the needs for providing emergency relief to the typhoon victims

in the Philippines, as well as responding to other calls on the Fund for disaster relief during the remainder of the current financial year.

4. D of Admin stressed that the proposed \$40 million of supplementary provision to DRF was not meant to be a donation to the Philippines, nor would it be used solely for providing disaster relief to that country.

5. The Chairman instructed that the speaking time for members should be not more than five minutes, including the Administration's reply.

Funding proposal to be separate from the Manila hostage-taking incident

6. Mr WONG Kwok-hing expressed condolences to the victims of Super Typhoon Haiyan that struck the Philippines. Mr WONG supported the funding proposal and said that the humanitarian aids should proceed in spite of the outstanding negotiation with the Philippine Government regarding compensation and a formal apology over the handling of the hostage situation which occurred in Manila.

7. Mr IP Kwok-him said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong supported the funding proposal as well as the provision of humanitarian aids to typhoon victims in the Philippines using DRF. Mr IP said that the Administration needed to take into consideration the community's sentiment if it were to apply the entire \$40 million on disaster relief programmes in the Philippines.

8. Noting that the Administration would only seek approval from the Finance Committee ("FC") before DRFAC approved a grant exceeding \$8 million, Mr IP Kwok-him asked the Administration to inform the Finance Committee of all relief programmes in the Philippines funded by DRF even if they cost less than \$8 million each.

9. D of Admin said that DRFAC would issue press releases on the programmes funded. Details of the programmes were included in the DRFAC's annual reports which would be uploaded onto the DRF website every year.

10. Mr WONG Yuk-man said that he would vote against the funding proposal as was the previous case in which he opposed the donation of \$100 million to the Sichuan Provincial Government for disaster relief and reconstruction of Ya'an, Sichuan.

11. Mr WONG Yuk-man explained that the outstanding differences between Hong Kong and the Philippine Government over the Manila hostage-taking incident had not been resolved. Besides, on providing disaster relief, even China had only donated US\$200,000; there was no justification for Hong Kong to provide the proposed \$40 million. He would, however, be ready to support the funding proposal if the Administration would reduce the amount to around US\$200,000 on disaster relief for typhoon victims in the Philippines.

12. D of Admin clarified that not all of the proposed \$40 million of supplementary provision for DRF would be used for relief programmes in the Philippines. She also clarified that the Mainland Government had, in fact, made a donation of RMB10 million for providing humanitarian aids to the Philippines.

13. Mr LEE Cheuk-yan supported the funding proposal. He agreed, on humanitarian ground, that the proposed supplementary provision should be used for providing disaster relief to typhoon victims in the Philippines, notwithstanding the attitude of the President of the Philippines and the sluggish response of the Philippine Government towards the demands of the victims of the Manila hostage-taking incident. Nevertheless, Mr LEE said that the Administration must press on with sanctions against the Philippines until the outstanding issues in respect of the Manila hostage-taking affair were satisfactorily resolved.

14. D of Admin said that the Chief Executive, Chief Secretary for Administration and Secretary for Security had respectively stated publicly that the provision of humanitarian aids to victims suffering from the typhoon disaster in the Philippines and the follow-up on the hostage-taking incident should be dealt with separately.

15. Dr Priscilla LEUNG declared that she was a member of DRFAC. She said that Hong Kong had special ties with the Philippines as many Filipinos were working for Hong Kong families as domestic helpers. She said that Hong Kong people should not vent their anger at the typhoon victims because of the Philippine Government's response over the hostage-taking affairs. The deliberation on the current funding proposal should be separate from the outstanding negotiation with the Philippine Government over the demands of the victims of the Manila hostage-taking incident.

16. Dr Priscilla LEUNG suggested that relief organizations who had received grants from DRF should be asked to publicize, at appropriate occasions,

that their projects were sponsored by Hong Kong. Inspection visits should also be organized to allow better monitoring of the use of grants under DRF.

17. Mr LEUNG Yiu-chung said that he had received feedbacks from the community asking Members not to support the funding application given the outstanding disputes with the Philippine Government over the Manila hostage-taking incident. Mr LEUNG said that the position of the Neighbourhood and Worker's Service Centre was that the question of whether or not humanitarian aids should be provided to typhoon disasters in the Philippines should be separate from the current campaign to seek formal apology and compensation, etc., from the Philippine Government over the hostage-taking incident.

18. Dr Helena WONG and Dr Fernando CHEUNG supported the funding proposal and the use of the supplementary provision to provide humanitarian aids to typhoon victims in the Philippines. However, they maintained that the Administration should continue to seek justice for victims of the hostage incidents.

19. Mr Michael TIEN said that Members belonging to the New People's Party supported the funding proposal. Mr TIEN said that the feedback that he received from the community mostly supported the proposed funding injection into DRF. He considered that the community demonstrated its maturity and rationality as it could separate the Manila hostage-taking incident from the need for provision of humanitarian aids to typhoon disaster victims.

Supplementary provision to be used on relief work in the Philippines

20. Mr WONG Kwok-hing asked how much of the proposed provision would be used for providing relief to the typhoon victims in the Philippines. D of Admin explained that the proposed supplementary provision, if approved by the Finance Committee, would enable DRF to maintain a balance of about \$50 million. Several relief organizations had indicated intention to apply for grants under DRF to provide emergency relief. It was estimated that the amount sought would be roughly around \$14 million according to information known to date. The Administration was aware that a few other organizations might also submit applications. D of Admin added that there was no ceiling on the proportion of DRF that should be available for the relief programmes in the Philippines. Mr WONG Kwok-hing urged the Administration to actively encourage more relief organizations to launch relief programmes using DRF.

21. Mr SIN Chung-kai expressed condolences to the typhoon victims and their families in the Philippines. He said that Members belonging to the

Democratic Party supported the funding proposal and the provision of emergency humanitarian aids to the Philippines.

22. Mr SIN Chung-kai and Mr Tony TSE commented that role of DRFAC on this matter was rather passive as it only responded to the applications from relief organizations. They said that the Administration should have a clear policy specifying the maximum amount of grant that would be provided under DRF for each disaster relief case, and should not accept and approve every applications without limit. The maximum amount to be made available for each disaster case should be consistent with international practice and within Hong Kong's own affordability.

23. Mr SIN asked about the amount of grant per application which the Administration was prepared to approve under DRF in respect of the disaster relief programmes in the Philippines in the present case.

24. D of Admin explained that the situation of each disaster-stricken area was unique and it was difficult for the Administration to preset a ceiling of assistance for each case. DRFAC would consider each application for DRF grant very carefully, and would take steps to avoid duplication of relief efforts among applicant organizations in the same disaster area. As for the provision of grant for relief programmes in the Philippines, D of Admin said that, based on the total amount of grant approved for relief of typhoon victims in the Philippines in January 2013 (where four organizations made funding applications totalled at \$11 million), the Administration expected that about \$10 million to \$20 million might be required for relief programmes in respect of the present typhoon disaster in the Philippines.

25. Mr IP Kin-yuen and Mr Tony TSE supported the funding proposal and agreed that relief should be provided to typhoon victims in the Philippines on humanitarian grounds. They said that the Administration should avoid giving the impression that the \$40 million supplementary provision for DRF would be used entirely for disaster relief activities in the Philippines. Mr IP also asked whether the Administration would seek injection to DRF whenever the balance of the fund fell below \$20 million.

26. D of Admin advised that the Administration would seek FC's approval for injection into DRF at the beginning of a financial year to enable the fund to maintain a balance of around \$50 million to respond to appeals for grants in relief of disasters that occurred outside Hong Kong. The Financial Secretary would exercise authority delegated by FC to top up DRF by \$10 million within a financial year, if necessary.

27. Ms Starry LEE declared that she was a member of DRFAC and she supported the proposed supplementary provision for DRF. Ms LEE indicated that the grants under DRF would not be channelled to government agencies and not all of the \$40 million supplementary provision would be provided for the disaster relief works in the Philippines. Ms LEE said that Hong Kong had the ability and the duty to contribute forwards the provision of relief and suitable safeguards had been built into the funding conditions (such as the restrictions that the funds should only be used for the purchase and distribution of disaster relief materials and that administrative overheads of any relief programme should not exceed 5% of the grant or total costs involved).

Mechanism for monitoring the use of DRF

28. In response to Mr IP Kin-yuen's query, D of Admin said that grants under DRF were mainly provided to successful applicants for purchase and supply of materials to disaster victims. Relief organizations were required to submit an implementation timetable of their programmes, and had to seek DRFAC's prior approval for any variation in the project scope. An evaluation report, together with an audited account, would be submitted to DRFAC upon completion of a relief programme. The current mechanism had demonstrated to be effective and the Administration was satisfied that disaster victims had directly benefited from the programmes funded by DRF.

29. Mr Tony TSE and Ms Emily LAU said that to the public, the Philippine Government did not have a good reputation in the use of foreign humanitarian aids. The Administration should step up monitoring of the use of grants under DRF to ensure that the resources were used solely for the benefit of disaster victims.

30. Ms Emily LAU said that she supported the funding proposal as she considered that, being a member of the international community, Hong Kong had a duty to render humanitarian assistance to people suffering from natural disasters. She asked if the Administration would adopt any measure to trace the delivery of relief materials funded under DRF to ensure that they would reach the victims.

31. D of Admin reiterated that grants approved by DRFAC would be used by relief organizations in implementing disaster relief programmes. No funds would be channelled directly to the Philippine Government. The relief organizations would need to specify in their applications the project timetables and the detailed lists of relief items. The organizations would need to submit evaluation reports and audited accounts of the programmes within six months upon their completion.

32. Mr James TIEN said that he supported the funding proposal. He expressed concern whether the grants would reach the target recipients in need. Mr TIEN queried how the Administration could ensure that relief organizations receiving grants from DRF would limit overheads or other administrative costs of their relief programmes to less than 5% of the grant or 5% of the total costs incurred.

33. D of Admin said that the relevant relief organizations would be required to submit evaluation reports and audited accounts within six months upon completion of the relief programmes. The reports, together with the audited accounts, would be examined by the Secretariat of DRFAC as well as the Director of Audit during the annual audit of the Fund. These reports would also be circulated to DRFAC members for reference. The relief organizations would be required to return any unspent amount of DRF grants. D of Admin supplemented that, so far, there had not been any case where the overheads or administrative costs of a relief programme had exceeded 5% of the grant or 5% of the total costs incurred.

Experience from previous donations

34. Mr James TIEN queried what improvement had been introduced to the funding and monitoring mechanism of DRF following the previous donation to the Sichuan Provincial Government.

35. D of Admin stressed that the current proposal for supplementary provision to DRF was different from the previous funding application to donate \$100 million to the Sichuan Provincial Government in response to the earthquake in Ya'an, Sichuan. In that occasion, the Sichuan Provincial Government had set up a designated bank account for the donation from Hong Kong Special Administrative Region ("HKSAR") and the donation was managed by Hong Kong and Macao Office of the provincial government. The relevant authority had also been required to submit a report on the use of the donation after the completion of the relief programmes. As for the current proposed supplementary provision, D of Admin reiterated that no part of it would be forwarded directly to the Philippine Government.

36. Mr Christopher CHEUNG supported the funding proposal. He queried if the Administration should made direct donation to help typhoon victims in the Philippines in the name of the HKSAR Government; otherwise, the victims would be under the impression that Hong Kong people did not show any care for them.

37. D of Admin advised that there were different approaches to provide relief to victims of disaster. Many international relief organizations had already launched relief programmes, and they had appealed to the international community for support of financial aids or provision of material supplies. DRF would be an appropriate channel to provide funding support to the work of these relief organizations which would directly benefit the victims concerned.

38. Dr LO Wai-kwok said that Members belonging to the Business and Professional Alliance for Hong Kong supported the funding proposal. Dr LO said that some members had previously criticized the Administration's proposal to donate \$100 million to the Sichuan Provincial Government claiming that the donation would be misappropriated by corrupted officials. Dr LO said that he had since visited some of the projects in Sichuan funded by the donation from Hong Kong, and he concluded that the donation had been properly used. Dr LO also agreed that the proposed supplementary provision was necessary in order to maintain a sufficient buffer to meet additional needs for possible disaster relief activities during the remainder of the financial year.

39. Dr Kenneth CHAN said that members belonging to the Civic Party supported the funding proposal. Dr CHAN agreed that funds under DRF should not be directly channelled to government agencies, but to reputable relief organizations instead. He sought assurance from the Administration that DRFAC would not accept applications from these relief organizations on behalf of government agencies. Mr Albert CHAN expressed a similar view and asked how the Administration could ensure that no government agencies were involved in the applications of DRF. Dr Kenneth CHAN also asked if DRF would also be used for humanitarian aids for people affected by local upheavals such as civil wars.

40. D of Admin responded that according to the resolution made by the Legislative Council in 1993, DRF could only be used to provide humanitarian aids in relief of disasters that occurred outside Hong Kong. She also assured members that relief organizations could not apply for grants under DRF on behalf of government agencies. D of Admin added that relief organizations were required to specify, in their applications, any partner organization that would be involved in carrying out the proposed disaster relief activities.

41. Mr LEUNG Yiu-chung commented that the public was concerned about the monitoring mechanism to ensure the proper use of DRF. He asked if DRFAC would take active steps to supervise the implementation of the disaster relief programmes and the use of funds provided under DRF, and to verify the performance of the programmes after their completion.

42. D of Admin advised that on-site supervision during a disaster relief programme might disrupt work progress and would be counterproductive. It might also incur significant administrative costs. D of Admin said that DRFAC would exercise extra vigilance when considering applications to ensure that the relief items would reach those in need. As regards Mr LEUNG's suggestion of more active monitoring of the use of the grants, D of Admin agreed to relay it to DRFAC for consideration.

43. Mr Michael TIEN was satisfied that the Administration had fully addressed to members' queries and major concerns. He noted that applicants for DRF were allowed to use not more than 5% of the grant on administrative costs. He queried whether the permitted amount of administrative overheads would be sufficient to cover the staff cost involved. Mr Michael TIEN asked which relief organizations had indicated interest in applying for grants under DRF to provide disaster relief in the Philippines.

44. D of Admin advised that DRFAC had not yet received formal application from any relief organizations, although the World Vision and the Salvation Army had indicated interest in applying for funds under DRF to implement disaster relief programmes in the Philippines.

Safety of Hong Kong relief workers in the Philippines

45. Dr Helena WONG noted that the Philippines was still categorized as "black" under the Outbound Travel Alert System, which indicated that Hong Kong people visiting that country might be under severe personal risk. Dr WONG asked what measures the Administration would adopt to ensure the personal safety of relief workers from Hong Kong to the Philippines.

46. D of Admin advised that relief organizations participating in the disaster relief work in the Philippines had substantial experience in carrying out disaster relief on-site and in assessing the possible risks involved. The Administration expressed confidence in the capabilities of these organizations in taking suitable precautions to ensure personal safety of their workers in the disaster-stricken areas.

Other support services

47. Dr Fernando CHEUNG supported the funding application. Dr CHEUNG said that many Filipino domestic helpers in Hong Kong had family members or relatives in the Philippines who had suffered from the Super Typhoon Haiyan disaster. He said that these Filipino domestic helpers were in need of support. He asked whether resources could be made available from

DRF to provide support services for this group of people and to help them contact their family members or relatives in the Philippines.

48. D of Admin said that such support services would be outside the ambit of DRF. However, she believed that non-governmental organizations would recognize the service needs of Filipino domestic helpers and the public could make their own contribution to cater for this need.

Voting results

49. There being no further questions, the Chairman put the item to vote. At the request of Mr WONG Yuk-man, the Chairman ordered a division. Forty-five members voted for and one member voted against the item. The voting results of individual members were as follows –

For:

Mr LEE Cheuk-yan	Mr James TO Kun-sun
Mr CHAN Kam-lam	Mr LEUNG Yiu-chung
Ms Emily LAU Wai-hing	Mr Tommy CHEUNG Yu-yan
Mr Frederick FUNG Kin-kee	Mr WONG Kwok-hing
Mr WONG Ting-kwong	Mr Ronny TONG Ka-wah
Ms Cyd HO Sau-lan	Ms Starry LEE Wai-king
Mr CHAN Hak-kan	Mr CHAN Kin-por
Dr Priscilla LEUNG Mei-fun	Mr CHEUNG Kwok-che
Mr WONG Kwok-kin	Mrs Regina IP LAU Suk-ye
Mr Alan LEONG Kah-kit	Mr Michael TIEN Puk-sun
Mr Steven HO Chun-yin	Mr YIU Si-wing
Mr Gary FAN Kwok-wai	Mr MA Fung-kwok
Mr Charles Peter MOK	Mr CHAN Chi-chuen
Mr CHAN Han-pan	Dr Kenneth CHAN Ka-lok
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Mr Kenneth LEUNG	Miss Alice MAK Mei-kuen
Mr KWOK Wai-keung	Mr Christopher CHEUNG Wah-fung
Dr Fernando CHEUNG Chiu-hung	Mr SIN Chung-kai
Dr Helena WONG Pik-wan	Mr IP Kin-yuen
Dr Elizabeth QUAT	Mr Martin LIAO Cheung-kong
Mr POON Siu-ping	Mr TANG Ka-piu
Ir Dr LO Wai-kwok	Mr Christopher CHUNG Shu-kun
Mr Tony TSE Wai-chuen	
(45 members)	

Against:
Mr WONG Yuk-man
(1 member)

50. The Chairman declared that the Committee approved the item.

Item No. 2 – FCR(2013-14)32

HEAD 44 – ENVIRONMENTAL PROTECTION DEPARTMENT

Subhead 700 General non-recurrent

New Item "One-off subsidy for retrofitting refuse collection vehicles to meet the new equipment standards"

51. The Chairman instructed that the speaking time for each member for this item should not exceed three minutes, including the Administration's response. He also indicated that if the deliberation could not be concluded by the prescribed meeting ending time, he would extend the meeting by 15 minutes.

52. Noting that the Administration proposed a nine-month subsidy period for application for subsidy to retrofit private refuse collection vehicles ("RCVs") to meet the new equipment requirements, Mr WONG Kwok-hing queried whether nine months were sufficient for all the vehicles to complete the required retrofitting work.

53. Deputy Director of Environmental Protection (2) ("DDEP") explained that RCV owners were allowed a period of nine months from January to September 2014 to submit applications for subsidy. The Administration expected the actual retrofitting work of all private RCVs could be completed by the first quarter of 2015. DDEP said that such time frame was drawn up based on the experience gathered from the pilot scheme launched in August 2013. The Administration would review the target date for completion of retrofitting work taking into account the actual progress made.

54. Mr Tommy CHEUNG said that the Administration's target of completing the retrofitting work of all existing private RCVs by 2015 was too slow. He asked whether private RCV owners could carry out the required work on their own and then claim the subsidy from the Government later. Mr CHEUNG was aware that the Administration was considering new specifications for more environmentally-friendly RCVs to be introduced in the near future. He asked whether the Administration should encourage and subsidize RCV owners to switch to new and more environmentally-friendly vehicle models rather than carry out piecemeal improvement at this stage.

55. DDEP said that the periods of rolling out and completing the retrofitting work were determined based on the experience gathered from the pilot scheme, the views from the waste collection trade, as well as the time required by vehicle workshops to carry out the required technical work. The Administration intended to complete the retrofitting work of all privately owned RCVs at the earliest opportunity.

56. As regards Mr CHEUNG's suggestion of subsidizing RCV owners to switch to more environmentally-friendly vehicle models, DDEP said that the RCV compactor body and the vehicle cab could be purchased separately. RCV owners who switched to a new vehicle cab could still retain the compactor body that was fitted with the tailgate cover and the waste water sump tank if the latter were still in good working condition. The retrofitting work would not be wasted even if the RCV owners were to switch to more environmentally-friendly vehicle models.

57. DDEP further explained that the proposed retrofitting design would have to be approved by EMSD before commencement of the retrofitting work to ensure that it was done properly. RCV owners might run the risk of abortive work and expenses if they had carried out retrofitting work without prior consultation with EMSD and the retrofitting work turned out not to be in compliance with EMSD's requirements.

Monitoring the results of retrofitting

58. Ms Alice MAK asked if the proposed funding allocation would cover all private RCVs. She asked whether the Administration would monitor or supervise the retrofitting work to be carried out by vehicle workshops. If a RCV was under complaint for odour or leachate nuisance even after it had undertaken retrofitting work, Ms Alice MAK asked how the complaint would be dealt with, and whether the respective vehicle workshop would be required to take remedial measure.

59. DDEP confirmed that the all of the private RCVs equipped with a rear compactor compartment not fitted or properly fitted with the metal tailgate cover and waste water sump tank were eligible for the subsidy scheme. RCV owners who received Government's subsidy to undertake retrofitting work would be responsible for future maintenance and the associated costs; the actual maintenance work could be undertaken by the same vehicle workshop that had carried out the retrofitting work.

60. DDEP s said that the pilot scheme launched in August 2013 had confirmed that it was feasible to reduce the odour and leachate problems by

retrofitting a metal tailgate cover and a waste water sump tank. However, the effectiveness of this approach still depended on the proper use and regular maintenance of the equipment. He added that under existing legislation, RCV owners would commit an offence if their vehicles were found to have caused environmental nuisance on roads. DDEP supplemented that the Administration intended to amend the Waste Disposal (Designated Waste Disposal Facility) Regulation, Cap. 354L, to the effect that a person operating RCV would be liable to an offence if the vehicle failed to meet the relevant equipment standards when delivering waste to a landfill, refuse transfer station or any waste management facilities.

61. Mr POON Siu-ping supported the funding proposal. He asked whether all the Government RCVs had carried out the necessary retrofitting works and what other measures the Administration would introduce if some of the RCV owners had not completed the required retrofitting works by the target deadline.

62. DDEP confirmed that all RCVs operated by the Food and Environmental Hygiene Department had been equipped with metal tailgate cover and waste water sump tank. The proposal of mandatory fitting of these equipments in all RCVs was supported by the relevant sector. Apart from providing subsidy to encourage RCV owners to undertake the retrofitting work, the Administration would introduce the necessary legislation to make the installation a statutory requirement.

63. Mr Michael TIEN said that when the Administration lobbied him to support the landfills extension proposals, he had made it a condition of his support that the Administration had to solve the problem of odour and nuisances caused by RCVs, and to make it a statutory requirement for RCVs to install a tailgate cover and waste water sump tank. He commended the Administration for the quick response to his suggestions.

Timeframe for completing retrofitting works

64. Mr Michael TIEN said that his constituents, especially the residents of Lung Kwu Tan, had repeatedly impressed upon him not to support the proposal to extend the landfills until it was demonstrated that all the measures to reduce odour and leachate problems in RCVs were in place and effective. Now that the Administration expected that it would take until early 2015 to complete retrofitting of all existing RCVs, Mr TIEN expected that more time would be required to complete the necessary legislative amendment. He said that if the Administration was not able to complete the retrofitting programme and legislative amendment exercise by the time the Administration put forward

the funding proposal for the landfill extensions, he would have difficulties in voting in favour of the landfill extension proposal.

65. DDEP responded that the Administration intended to introduce the amendments to the Waste Disposal (Designated Waste Disposal Facility) Regulation in December 2013. The Administration expected that the legislative process should not take a long time as the amendments involved only minor changes to the existing subsidiary legislation. Furthermore, subject to approval of the current funding application, retrofitting works could commence as early as January 2014.

66. Ms Cyd HO commented that the Administration should introduce the current measures much earlier to improve the environmental problem generated by RCVs. She said that the current measures were only piecemeal improvement and the Administration should introduce more measures such as promoting waste recovery and recycling. In this connection, Ms Cyd HO appealed to the Administration to set aside sufficient recurrent resources, say \$2 billion each year, to carry out relevant research projects and to encourage recovery and recycling activities.

Improper use of retrofitted vehicles

67. Dr Helena WONG said that Members belonging to the Democratic Party supported the funding proposal. Dr WONG sought clarification on whether the Administration would introduce suitable provisions and penalty clauses in the Waste Disposal (Designated Waste Disposal Facility) Regulation to prohibit RCVs from operating on roads unless they met the new equipment requirements. Dr WONG asked what measures the Administration would adopt if operators did not cover the waste container of their RCVs despite having installed the tailgate covers, or failed to maintain their RCVs regularly or properly. She also asked how the Administration would ensure that RCVs that had undergone retrofitting works using the Government's subsidy would not be sold and exported overseas.

68. Assistant Director of Environmental Protection (Environmental Infrastructure) ("AD(EI)") said that the proposed amendment to the Waste Disposal (Designated Waste Disposal Facility) Regulation should be effective in deterring RCVs without metal tailgate cover and waste water sump tank from running on the road. She explained that any RCV would eventually have to deliver its waste to a refuse transfer station, landfill or other waste management facility. The operator of the vehicle would be liable to an offence if the vehicle did not comply with the specified equipment requirement when it entered a waste management facility.

69. As regards to Dr WONG's query about the possibility of RCVs retrofitted with the tailgate cover and waste water sump tank being exported overseas, DDEP said that the private RCVs were under contractual obligations to perform refuse collection services locally. He understood that there was a continuous local demand for RCVs in providing the waste disposal service and did not envisage that there were surplus vehicles for export.

Capacity of workshops for retrofitting

70. Mr TANG Ka-piu queried how many of the private RCVs that required retrofitting were of pre-Euro type which would be retired under another scheme. He also queried how many vehicle workshops were capable of carrying out the required retrofitting works and whether the number was sufficient to meet the target of completing all the required retrofitting work by early 2015. Mr TANG also sought clarification about the normal cycle of maintenance for a RCV.

71. DDEP advised that the vehicle compactor body and the vehicle cab could be purchased separately. While the vehicle cab could be replaced by a newer or more environmentally-friendly model, the compactor body that was retrofitted with tailgate cover and the waste water sump tank could be retained for continued use if in good working condition. As a result, the programme to replace old diesel commercial vehicles would not affect the current plan of retrofitting RCVs.

72. DDEP further advised that there were likely less than 10 vehicle workshops that could provide the required retrofitting service. Sufficient time would therefore be necessary for the workshops to schedule the retrofitting work and for the RCV owners to meet the target period. DDEP also pointed out that during the time a RCV was taken off the road for maintenance, RCV owners could make other arrangements such as hiring other RCVs or ask other operators to provide the waste hauling service.

73. There being no further question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 3 – FCR(2013-14)33

CAPITAL WORKS RESERVE FUND

HEAD 701 – LAND ACQUISITION

- (a) **Ex-gratia Allowance for Permitted Occupiers of Licensed Domestic Structures and Surveyed Domestic Squatter Structures Affected by Clearance**

- (b) **Domestic Removal Allowance**
- (c) **Ex-gratia Allowance for Shops, Workshops, Godowns, Slipways, Schools, Churches and Ornamental Fish Breeding Undertakings**
- (d) **Ex-gratia Allowance for the Clearance of Graves, Kam Taps and Shrines**

74. Mr Tony TSE, Deputy Chairman of the Panel of Development, reported that the proposal was discussed at the Panel meeting held on 22 July 2013. Panel members generally welcomed the Administration's proposals. Panel members commented that the Administration should review the mechanism and arrangements for effecting ex-gratia payment to persons, especially non-indigenous villagers affected by development clearance. Panel members asked the Administration to consider the requests from non-indigenous villagers affected by clearance for local rehousing, and to step up efforts to encourage agricultural land rehabilitation.

75. Mr Tony TSE said that many of the affected residents on Government land due to clearance were indeed illegal occupants which was far from satisfactory. Mr TSE asked how the Administration would step up land administration efforts to reduce cases of illegal occupation of government land, so as to facilitate future clearance process, and reduce the amount of public funds on ex-gratia payment.

76. Deputy Secretary for Development (Planning and Lands) 1 ("DS(PL)") said that ex-gratia payment would be available to eligible occupants of temporary structures registered before 1982 when they were affected by development clearance. As a matter of principle, temporary structures built after 1982 would be demolished once discovered and occupants were not eligible for compensation or ex-gratia payment.

77. Mr Tommy CHEUNG said that Members belonging to the Liberal Party supported the funding proposal.

78. Dr Fernando CHEUNG commented that disputes often occurred in development clearances, and the level of compensation or ex-gratia payment was among the issues of contention. Dr CHEUNG noted from the Liantang/Heung Yuen Wai Boundary Control Point project that indigenous and non-indigenous villagers were treated differently in the level of ex-gratia payment. He asked whether there would be two different formulas for these residents affected by future clearance projects.

79. DS(PL) explained that the proposed ex-gratia payment would only be payable to occupants of temporary structures without land ownership of an

affected site. Whether or not the occupant was an indigenous villager would not be relevant. There were separate policies for dealing with residents with landownership or indigenous villagers affected by the Government's development clearance exercises. In view of time constraint, the Chairman allowed a short question from Mr LEUNG Yiu-chung near the close of the meeting.

80. Mr LEUNG Yiu-chung said that he objected to the funding proposal. He said that the Administration should withdraw the item and rethink the whole issue.

81. Mr LEUNG Yiu-chung asked whether the proposed ex-gratia payment arrangement would apply to all future clearance exercises except the North East New Territories New Development Areas ("NENT NDAs") project, and whether the Administration had consulted affected residents on the current proposal.

82. DS(PL) confirmed that the proposed ex-gratia payment arrangement would cater for general clearance exercises. In devising the proposed ex-gratia payment arrangement, the Administration had drawn reference from clearance cases in recent years. DS(PL) said that, given the general nature of the proposed arrangement, it was not practicable to conduct public consultation on the proposal and it was in line with the practices in previous exercises to enhance the general compensation and rehousing regime. He added that the proposed special ex-gratia compensation package for clearances affected by development clearance exercise arising from the NENT NDAs project would be submitted for members' consideration separately.

83. At 6:45 pm, the Chairman said that as members still had questions on the item, he would defer the item to the next meeting. He then declared the meeting closed.