

立法會
Legislative Council

LC Paper No. FC50/13-14

(These minutes have been
seen by the Administration)

Ref : CB1/F/1/1

Finance Committee of the Legislative Council

**Minutes of the 2nd meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 6 December 2013, at 3:00 pm**

Members present:

Hon NG Leung-sing, SBS, JP (Chairman)
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
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
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
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
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Hon CHAN Kin-por, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau

Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, BBS
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 WU Chi-wai, MH
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 Kenneth LEUNG
Hon Alice MAK Mei-kuen, JP
Dr Hon KWOK Ka-ki
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 CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen

Members absent:

Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TO Kun-sun
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon IP Kwok-him, GBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon KWOK Wai-keung

Public officers attending:

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| Ms Julia LEUNG Fung-yee, SBS, JP | Under 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) |
| Mr Alfred ZHI Jian-hong | Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch) |
| Mr LIU Chun-san | Principal Assistant Secretary for Development (Works) 2 |
| Mr HON Chi-keung, JP | Director of Civil Engineering and Development |
| Mr IP Kwai-hang | Deputy Head of Civil Engineering Office (Projects and Environmental Management), Civil Engineering and Development Department |
| Mrs LEE KWAN Siu-kuen, JP | Head (Kai Tak Office), Civil Engineering and Development Department |
| Miss AU King-chi, JP | Permanent Secretary for Financial Services and the Treasury (Financial Services) |
| Mr Jackie LIU | Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) 5 |
| Mr LAM Man-wing | Assistant Commissioner of Police (Support), Hong Kong Police Force |

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| 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:

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| Mr Andy LAU | Assistant Secretary General 1 |
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Staff in attendance:

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| 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

The Chairman advised members that two meetings had been scheduled for the day. There would be a ten-minute break after the first meeting was adjourned at 5:00 pm. The second meeting would begin at 5:10 pm.

Item No. 1 – FCR(2013-14)35

**RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 13 NOVEMBER 2013**

2. The Chairman said that the item sought the Committee's approval on the recommendations of the Establishment Subcommittee ("ESC") made at the meeting on 13 November 2013. Members of ESC had requested that both items EC(2013-14)5 and EC(2013-14)6 should be considered and voted on separately at the Finance Committee ("FC") meeting.

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EC(2013-14)5

Head 33 – CIVIL ENGINEERING AND DEVELOPMENT DEPARTMENT

Subhead 000 Operating Expenses

3. The Chairman said that the item sought the Committee's approval of the retention of three supernumerary directorate posts in the Civil Engineering and Development Department ("CEDD") for a period of five years from 1 April 2014 to 31 March 2019.

Need for the proposed posts

4. Mr Albert CHAN said that he had requested for this item to be discussed and voted on separately. He considered the staffing proposal unreasonable and unjustified. The scale and scope of projects in other development areas such as the North East New Territories were as large as, if not larger than, the Kai Tak Development ("KTD"), but there were not as many directorate staff as the Kai Tak Office ("KTO") of the Kowloon Development Office ("KDevO"). Mr CHAN commented that the retention of the directorate posts was just to please the Chief Secretary who had spearheaded the development of Kai Tak when she was Secretary for Development.

5. Director of Civil Engineering and Development ("DCED") said that KTD was one of the ten major infrastructure projects announced in the Chief Executive's Policy Address. Careful co-ordination was required to ensure good connection between KTD and the adjoining areas including Kowloon City, San Po Kong and Kwun Tong. The formulation of Kai Tak Outline Zoning Plan ("OZP") had undergone comprehensive public engagement between 2004 and 2006 before approval in 2007. To implement the Kai Tak OZP, there were lots of planning, urban design and project co-ordination work and would require continuous public engagement. Major supporting infrastructure projects were expected to be completed by 2021. The two supernumerary directorate posts were required to provide professional steer and supervision over these tasks. DCED added that sufficient number of posts underpinning the two directorate posts had been created under the established mechanism. The Administration would also monitor the staffing needs of the other development offices.

6. Echoing Mr Albert CHAN's criticism, Mr LEUNG Kwok-hung queried whether it was prudent use of public resources to create or retain posts that were unnecessary and ineffectual.

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7. Permanent Secretary for Financial Services and the Treasury (Treasury) ("PS(Tsy)") reassured members all staffing proposals the Administration put forward for members' approval were based on actual needs.

8. Ir Dr LO Wai-ki supported the Administration's proposal and commented that the supernumerary directorate posts should be retained given the complexity of KTD and the Liantang/Heung Yuen Wai Boundary Control Point project, and the level and amount of co-ordination work required. Ir Dr LO said that, apart from creating directorate posts, sufficient supporting staff and technical personnel should be provided to carry out various planning and local public consultation and project co-ordination work.

9. DCED said that since the amalgamation of the Civil Engineering Department and the Territory Development Department into the new CEDD about ten years ago, the provision of directorate support had been rationalized and reduced. However, in the past few years, the amount of public works project had been increasing. Both directorate and non-directorate posts had been created to meet the increasing workload, including the proposed supernumerary directorate posts. At present, the establishment in CEDD contained about 30% professional grade staff, 40% technical personnel and the remaining 30% general grade staff. DCED considered the staffing composition appropriate and the Administration would continue to monitor the staffing situation.

10. Mr WU Chi-wai asked whether the Administration would consider retaining the supernumerary posts for three years instead of five years. He said that by 2015–2016, some of the major public works projects might have completed and some Chief Engineers and relevant professional staff could be released for redeployment to undertake the planning and co-ordinating work in KTD and the Liantang/Heung Yuen Wai BCP project.

11. DCED said that according to the current work schedule, the number of public works projects and the workload of CEDD in the coming years would be in an upward trend. It was unlikely that any professional staff being engaged in major public works projects could be redeployed to shore the workload in KTD or the Liantang/Heung Yuen Wai BCP project in three years' time. Besides, the directorate staff working on KTD and the Liantang/Heung Yuen Wai BCP project would be fully occupied until 2018 to deal with general project management tasks and to co-ordinate with relevant Bureaux and Departments on project implementation.

12. Mr James TIEN recognized that there was a need to retain the three supernumerary directorate posts given that there were many public works

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projects underway. However, Mr TIEN expressed concerns about the shortage of construction workers to carry out the projects, and suggested that the Administration should address the issue.

13. Principal Assistant Secretary for Development (Works)² agreed that construction manpower situation was tight given the large amount of public works projects to be carried out in the coming years. The Administration would continue to monitor the situation and would encourage joint venture projects to relieve labour shortage.

Voting results

14. There being no further questions, the Chairman put the item to vote. At the request of Mr CHAN Chi-chuen, the Chairman ordered a division. Forty-five members voted for and four members voted against the item. One member abstained from voting. The voting results of individual members were as follows –

For:

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|--------------------------------|------------------------------|
| Mr LEE Cheuk-yan | Mr CHAN Kam-lam |
| Mr TAM Yiu-chung | Mr Tommy CHEUNG Yu-yan |
| Mr Frederick FUNG Kin-kee | Mr Vincent FANG Kang |
| Mr WONG Kwok-hing | Dr Joseph LEE Kok-long |
| Mr WONG Ting-kwong | Mr Ronny TONG Ka-wah |
| Ms Cyd HO Sau-lan | Ms Starry LEE Wai-king |
| Mr CHAN Hak-kan | Dr Priscilla LEUNG Mei-fun |
| Mr CHEUNG Kwok-che | Mr WONG Kwok-kin |
| Mrs Regina IP LAU Suk-yee | Mr Alan LEONG Kah-kit |
| Ms Claudia MO | Mr Michael TIEN Puk-sun |
| Mr James TIEN Pei-chun | Mr Steven HO Chun-yin |
| Mr Frankie YICK Chi-ming | Mr WU Chi-wai |
| Mr YIU Si-wing | Mr MA Fung-kwok |
| Mr Charles Peter MOK | Mr CHAN Han-pan |
| Dr Kenneth CHAN Ka-lok | Miss CHAN Yuen-han |
| Mr Kenneth LEUNG | Miss Alice MAK Mei-kuen |
| 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 | Dr CHIANG Lai-wan |
| Ir Dr LO Wai-kwok | Mr Christopher CHUNG Shu-kun |
| Mr Tony TSE Wai-chuen | |
| (45 members) | |

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Against:

Mr LEUNG Yiu-chung
Mr WONG Yuk-man
(4 members)

Mr Albert CHAN Wai-yip
Mr CHAN Chi-chuen

Abstained:

Mr Gary FAN Kwok-wai
(1 member)

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

EC(2013-14)6

HEAD 148 – GOVERNMENT SECRETARIAT:

FINANCIAL SERVICES AND THE TREASURY BUREAU (FINANCIAL SERVICES BRANCH)

Subhead 000 Operational expenses

Item No. 2 – FCR(2013-14)36

HEAD 148 – GOVERNMENT SECRETARIAT :

**FINANCIAL SERVICES AND THE TREASURY BUREAU
(FINANCIAL SERVICES BRANCH)**

Subhead 700 General non-recurrent

New Item "Asia-Pacific Economic Cooperation Finance Ministers' Meeting 2014"

16. The Chairman said that the paper EC(2013-14)6 under item FCR(2013-14)35 and the item FCR(2013-14)36 were related to the organization of the Finance Ministers' Meeting of the Asia Pacific Economic Co-operation ("APEC") in September 2014 in Hong Kong. He said that discussion of the two items would be combined but the items would be voted on separately at the meeting.

17. Ms Starry LEE, Chairman of the Panel on Financial Affairs, reported that the proposal in the item FCR(2013-14)36 was discussed at the Panel meeting held on 4 November 2013. Panel members generally supported the Administration's proposal to organize the APEC Finance Ministers' Meeting in Hong Kong. Members suggested that the Administration should take the opportunity of the event to showcase Hong Kong's strengths as an international financial centre and a tourism hub, and to promote more business opportunities. Some Panel members suggested that the Administration should also promote wider community awareness of the work of the APEC Finance Ministers' Meeting.

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18. The Chairman instructed that the speaking time of members on this item should not exceed five minutes each, including the Administration's response.

Security measures

19. Mr WONG Kwok-hing supported both proposals. He expressed concern about the security arrangements.

20. Permanent Secretary for Financial Services and the Treasury (Financial Services) ("PS(FS)") said that the Police would plan and implement suitable security arrangements based on previous experience in organizing international meetings, APEC standard practice, as well as the Police's risk assessment on the event.

21. Mr Charles MOK supported the proposal of holding the APEC Finance Ministers' meeting in Hong Kong. He expressed concern about the security and capacity of the information technology ("IT") network and communication infrastructure for the Finance Ministers' Meeting. He said that part of the IT system might need to be tailor-designed and implemented specifically for the occasion.

22. PS(FS) said that maintaining the security of the IT infrastructure and communications network was a major task under the risk assessment and security arrangement planning of the Finance Ministers' Meeting. The Police was fully capable and experienced in preventing and combatting technology crimes. The Administration would work on detailed IT and communications arrangements once the meeting venue was selected and secured.

23. Mr Tommy CHEUNG said that Members belonging to the Liberal Party supported the funding proposal as it was a good opportunity for Hong Kong to organize the event. Mr CHEUNG noted that the non-recurrent commitment being sought excluded staff cost for time-limited civil service posts for the Event Co-ordination Team and Police Planning Team, but would include cost of hiring security personnel. He asked if extra provision would be provided to the Police to meet over-time staff cost and the cost of police officers on duty during the APEC Finance Ministers' Meeting.

24. PS(FS) explained that the expenditure on security arrangements would mainly cover the procurement of accreditation system, equipment, and hire of security personnel. The Police would deploy manpower flexibly to maintain public order and public safety during the event.

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25. Mr Tommy CHEUNG commented that it would only be appropriate to allocate extra resources to the Police so as not to stretch its existing manpower too far. PS(FS) advised that the security personnel to be hired would also support the Police in carrying out security checks and other relevant duties.

Arrangements for the APEC Finance Ministers' Meeting

26. Mr WONG Kwok-hing referred to recent media reports that new vehicles would be sought for reception of ministers from APEC member countries. He considered the requirements, if accurately reported, were too extravagant. PS(FS) responded that the various arrangements of the APEC Finance Ministers' Meeting should commensurate with the standard protocol of the occasion. Chauffeur-driven limousines might either be rented or provided by sponsors. The Administration was not inclined to purchase new vehicles specifically for the event.

27. Mr WONG Yuk-man queried about the venue to be used for holding the APEC Finance Ministers' Meeting and whether the scale of the meeting would be smaller than the sixth ministerial conference of the World Trade Organization ("WTO") held in Hong Kong in December 2005.

28. PS(FS) said that the Administration had identified a number of possible options for the meeting venue, including the Hong Kong Convention and Exhibition Centre. The Administration would work out the detailed arrangements if FC approved the funding proposal. PS(FS) said that, in terms of the number of participants and attendees, the scale of the APEC Finance Ministers' Meeting would be smaller than the WTO sixth ministerial conference in 2005.

29. Mr WONG Yuk-man queried the justification for the APEC Finance Ministers' Meeting to incur more expenditure than the WTO ministerial conference if the scale was smaller. PS(FS) said that Hong Kong would be responsible for providing appropriate accommodation, transport and security arrangements for the attending finance ministers and high-level officials from observing international organisations and APEC Secretariat. The funding would also cover expenditure on items including meeting venues and supporting facilities, information and communication technology, hospitality arrangements for participants and meals for the media, cultural performances and social programmes for the delegates and accompanying persons, as well as publicity measures to be launched locally and overseas.

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30. Mr WONG Yuk-man did not find the Administration's response convincing and he indicated his objection to the funding proposal.

31. Mr YIU Si-wing said that the holding of the APEC Finance Ministers' Meeting would help enhance Hong Kong's image internationally and for that reason, Mr YIU said that he would support the funding proposal.

32. Noting that office equipment, furniture and stationery, etc., and security equipment and tools such as X-ray machines and walkthrough metal detectors would have to be procured, Mr YIU Si-wing asked if all these items would have to be brand new, and if so, how would these items be disposed of after the APEC Finance Ministers' Meeting. Mr YIU asked whether the items could be furnished from existing equipment of various government departments.

33. PS(FS) said that the security-related equipment and the accreditation system could be sourced through open tender and would be owned by the tenderer. Office furniture and equipment would be rented as far as possible. Assistant Commissioner of Police (Support) ("AC of P (Support)") supplemented that the Police might, on a need basis, purchase updated models to replace existing equipment.

34. Mr YIU Si-wing queried how the Administration would monitor the quality and performance of the chauffeurs and coach drivers serving APEC participants. PS(FS) and AC of P (Support) responded that these chauffeurs and coach-drivers would be engaged on a temporary basis, and they would be subject to security vetting as part of the risk assessment process.

35. Mr Kenneth LEUNG also asked if the Administration intended to acquire any capital assets in connection with the event. As regards transport arrangement, Mr LEUNG enquired whether provision of chauffeur-driven limousines would be necessary if the delegates were accommodated very near to the meeting venue.

36. PS(FS) responded that the equipment and furniture that were needed for the meeting would be rented as far as possible unless they were not available in the market or unless there were security considerations that made it inappropriate for the Administration to rent such items.

37. PS(FS) further explained that it was an APEC requirement that each finance minister should be provided with a chauffeur-driven limousine during the APEC Finance Ministers' Meeting. There would also be security consideration when the finance ministers travelled from one point to another. Shuttle services would be provided to facilitate delegates' attendance at all

Action

functions associated with the Finance Ministers' Meeting and airport transfers. Furthermore, vans and trucks might be necessary to transport equipment and supporting materials to and from the meeting venues.

Views against Hong Kong's holding the event on behalf of China

38. Mr LEE Cheuk-yan said that Members belonging to the Labour Party did not support the proposal. Mr LEE said that the whole event was unnecessary. APEC was purely concerned with promoting commerce and trade and was not concerned about improving people's livelihood. Mr LEE said he had petitioned APEC to set up an Asia Labour Forum, but to no avail.

39. Mr LEE Cheuk-yan asked if Hong Kong, being a member of APEC, could apply to host APEC meetings independently in its namesake. He commented that China was, in fact, hosting the APEC meetings (including the APEC Economic Leaders' Meeting and other ministerial meetings). By putting the Finance Ministers' Meeting in Hong Kong, the Central People's Government ("CPG") was downgrading Hong Kong's status as an independent member of APEC and yet Hong Kong had to foot the bill of more than \$60 million for CPG.

40. PS(FS) said that the agenda of the coming APEC Finance Ministers' Meeting would likely cover areas that would promote the growth of the real economy and benefit small and medium enterprises, and thereby boost employment. In this regard, APEC meetings were directly related to people's livelihood.

41. PS(FS) further advised that every APEC member economy could apply to become APEC Chairman and host APEC meetings. China would assume APEC Chairmanship in 2014, and CPG had announced that the Finance Ministers' Meeting would be held in Hong Kong in September 2014. She stressed that it was an honour for Hong Kong to organize such a high level meeting and the event would help promote Hong Kong's status as an international financial centre.

42. Dr Fernando CHEUNG commented that Hong Kong and China were independent member economies of APEC, but the APEC Finance Ministers' Meeting was to be held in Hong Kong in the name of China, and Hong Kong had to foot the bill of the event. Dr CHEUNG asked if the HKSAR Government applied to hold the Finance Ministers' Meeting or was it a task assigned by CPG.

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43. PS(FS) said that the Chinese President had announced at the last APEC meeting in Indonesia that the next Finance Ministers' Meeting would be organized in Hong Kong in 2014.

44. Dr Fernando CHEUNG asked if the Administration had requested CPG or APEC to let Hong Kong hold the APEC Finance Ministers' Meeting, and if not, CPG should undertake the cost of holding the event. PS(FS) responded that it was an honour for Hong Kong to organize the APEC Finance Ministers' Meeting and Hong Kong would benefit from the process.

45. Mr Christopher CHEUNG said that the holding of APEC Finance Ministers' Meeting would enhance Hong Kong's status and would promote economic co-operation with adjoining areas. Hong Kong people should be grateful for the opportunities from CPG.

Monitoring and auditing the use of funds

46. Ms Starry LEE supported the proposal of holding the APEC Finance Ministers' meeting in Hong Kong, and said that Members belonging to the Democratic Alliance for the Betterment and Progress of Hong Kong would support the funding proposal. Ms LEE agreed that the Administration should exercise prudence in the use of the funds for organizing the APEC Finance Ministers' Meeting. She asked whether there were internal monitoring and supervision procedures that governed the use of the funding.

47. PS(FS) said that resources earmarked for the organization of the APEC Finance Ministers' Meeting would be subject to existing financial discipline and auditing procedures. PS(FS) said that while the Administration would exercise prudence in the use of public funds, the arrangements should also commensurate with the occasion and meet APEC's protocol and requirements.

48. Mr Kenneth LEUNG supported the proposal in principle. Mr LEUNG criticized that the budget as presented by the Administration was too rough. He pointed out that, for example, there should be a comparison of each item of expenditure with the corresponding expenses incurred in a similar event, and there should be more detailed explanation on how each of the estimated expenditure item was derived. Mr Kenneth LEUNG asked whether an audited account of the event would be prepared and whether the audited account would be submitted to the Legislative Council for Members' reference. He also asked if the Director of Audit would be invited to audit the event.

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49. PS(FS) advised that the funds approved for organizing the APEC Finance Ministers' Meeting were public monies and would be subject to Government accounting requirements and monitoring. No separate audited account would be prepared for the event and it would be up to the Director of Audit to select the event for value for money studies.

Use of volunteers

50. Ms Starry LEE asked whether the Administration would mobilize students and members of the public to be volunteers to provide support for the Meeting. PS(FS) said that the Administration would consider and identify suitable tasks and activities (such as reception arrangements) that might require the assistance of volunteers, and would engage the community as appropriate in organizing the event.

51. The Chairman instructed that members' speaking time for the second round of question should not exceed three minutes each, including the Administration's response.

52. Mr LEE Cheuk-yan said that he was not convinced that Hong Kong would benefit from holding the APEC Finance Ministers' Meeting when Hong Kong people had to bear the cost of more than \$60 million upfront and that APEC meetings were not conducive to improving peoples' livelihood. If it were an honour for Hong Kong to hold the event, it would be better for Hong Kong to host the meeting in its own namesake. Hong Kong's holding the Finance Ministers' Meeting in its capacity as a city of China in effect downgrade its status as an independent APEC member. Mr LEE asked if there had been precedents where APEC meetings were chaired by one member country/economy while the meetings were held in a city of another member country/economy.

53. PS(FS) reiterated that it was an honour for Hong Kong to organize the Finance Ministers' Meeting. The event would not only help promote Hong Kong's credentials as an international financial centre, but also a MICE (i.e. meetings, incentive travels, conventions and exhibitions) tourism destination. PS(FS) added that there had been cases where more than one APEC member economy hosted different ministerial meetings in the same year.

54. Mr TAM Yiu-chung said that holding the APEC Financial Ministers' Meeting in Hong Kong would provide good opportunities to showcase Hong Kong's strengths and would help promote Hong Kong's tourism. There were both tangible and intangible benefits, but the Administration should exercise care and prudence in the use of public funds.

Action

55. Mr SIN Chung-kai said that Members belonging to the Democratic Party would support the funding proposal and urged the Administration to exercise care to control the budget. Mr SIN said that the Administration should seek out opportunities of organizing international events of various areas such as economic, financial as well cultural conferences.

56. Mr YIU Si-wing said that FC had approved a commitment of \$150 million for extending the operation of the Mega Events Fund with a view to reinforcing Hong Kong's position as the Events Capital of Asia. By comparison, the budget for holding the APEC Finance Ministers' Meeting was not excessive. He said the event was a good opportunity for Hong Kong and should be supported.

57. Mr Tommy CHEUNG said that it was a good will of CPG to let Hong Kong to hold the APEC Finance Ministers' Meeting and he did not agree that it was CPG forcing Hong Kong to foot the bill for China.

Voting results

58. The Chairman put the item EC(2013-2014)6 of FCR(2013-14)35 to vote. At the request of Mr LEE Cheuk-yan, the Chairman ordered a division. Thirty-five members voted for and eight members voted against the proposal. The voting results of individual members were as follows –

For:

Mr CHAN Kam-lam
Mr Tommy CHEUNG Yu-yan
Dr Joseph LEE Kok-long
Mr CHAN Hak-kan
Dr LEUNG Ka-lau
Mrs Regina IP LAU Suk-yee
Ms Claudia MO
Mr Frankie YICK Chi-ming
Mr YIU Si-wing
Mr CHAN Han-pan
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr SIN Chung-kai
Mr IP Kin-yuen
Mr POON Siu-ping
Dr CHIANG Lai-wan
Mr CHUNG Kwok-pan
Mr Tony TSE Wai-chuen
(35 members)

Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin
Mr Alan LEONG Kah-kit
Mr Steven HO Chun-yin
Mr WU Chi-wai
Mr Charles Peter MOK
Dr Kenneth CHAN Ka-lok
Mr Kenneth LEUNG
Mr Christopher CHEUNG Wah-fung
Dr Helena WONG Pik-wan
Dr Elizabeth QUAT
Mr TANG Ka-piu
Ir Dr LO Wai-kwok
Mr Christopher CHUNG Shu-kun

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Against:

Mr LEE Cheuk-yan
Ms Cyd HO Sau-lan
Mr Albert CHAN Wai-yip
Mr CHAN Chi-chuen
(8 members)

Mr LEUNG Yiu-chung
Mr CHEUNG Kwok-che
Mr WONG Yuk-man
Dr Fernando CHEUNG Chiu-hung

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

60. The Chairman put the item FCR(2013-14)36 to vote. At the request of Mr LEE Cheuk-yan, the Chairman ordered a division. Thirty-four members voted for and nine members voted against the proposal. The voting results of individual members were as follows –

For:

Mr CHAN Kam-lam
Mr Tommy CHEUNG Yu-yan
Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun
Mr WONG Kwok-kin
Mr Alan LEONG Kah-kit
Mr Steven HO Chun-yin
Mr WU Chi-wai
Mr Charles Peter MOK
Dr Kenneth CHAN Ka-lok
Mr Kenneth LEUNG
Mr Christopher CHEUNG Wah-fung
Dr Helena WONG Pik-wan
Dr Elizabeth QUAT
Mr TANG Ka-piu
Ir Dr LO Wai-kwok
Mr Christopher CHUNG Shu-kun
(34 members)

Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr CHAN Hak-kan
Dr LEUNG Ka-lau
Mrs Regina IP LAU Suk-ye
Ms Claudia MO
Mr Frankie YICK Chi-ming
Mr YIU Si-wing
Mr CHAN Han-pan
Miss CHAN Yuen-han
Miss Alice MAK Mei-kuen
Mr SIN Chung-kai
Mr IP Kin-yuen
Mr POON Siu-ping
Dr CHIANG Lai-wan
Mr CHUNG Kwok-pan
Mr Tony TSE Wai-chuen

Against:

Mr LEE Cheuk-yan
Ms Cyd HO Sau-lan
Mr Albert CHAN Wai-yip
Mr Gary FAN Kwok-wai
Dr Fernando CHEUNG Chiu-hung
(9 members)

Mr LEUNG Yiu-chung
Mr CHEUNG Kwok-che
Mr WONG Yuk-man
Mr CHAN Chi-chuen

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61. 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**

62. The Chairman said that the meeting would continue to deliberate on the item FCR(2013-14)33 which was carried over from the FC meeting of 15 November 2013.

63. Mr TAM Yiu-chung quoted a case where a person had obtained a licence to operate a factory on a piece of Government land. The factory was subsequently affected by a clearance and was relocated to another piece of Government land. The factory operator been issued a new licence to operate the relocated factory. Mr TAM asked if the operator was eligible for ex-gratia allowance ("EGA") under the proposed enhancements if this relocated site was required for a public works project.

64. The Director of Lands ("D of L") explained that if the licence to operate business undertakings was first issued before 1 June 1982, or if the licence was issued after 1 June 1982 but were derived from pre-1982 licences, the operator should be eligible for the EGA in respect of the structures to be cleared, under the proposed enhancements. However, D of L added that no licence that was not a derivation of earlier licences had been issued after 1 June 1982. Business undertakings on Government land were then permitted through Short Term Tenancies ("STTs"), which normally included provisions giving the Government the right to terminate the tenancy by serving a notice of a specified period. The tenant would have no right of compensation or removal allowances.

65. Mr TAM Yiu-chung enquired whether the Administration would review the policy to extend the eligibility for the EGA to holders of STTs. He said that business operators holding an STT were in a sense permitted to use Government land in the same way as holders of any pre-June 1982 licence (or

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post-June 1982 licences derived therefrom). D of L explained that while the prevailing eligibility should be upheld, similar suggestions had been received in the past, and the Administration would look into these suggestions at an appropriate juncture in future.

66. Mr Albert CHAN asked whether the two types of occupants of Government land, namely, occupiers of squatters registered in the 1982 Squatter Structure Survey ("1982 SSS") and business operators on STT, were eligible for the enhanced EGA.

67. D of L said that squatters registered in the 1982 SSS included domestic and non-domestic structures. Under the proposed enhancements, certain domestic occupiers of licensed structures would be eligible for an improved rate of ex-gratia allowance; and domestic occupiers of surveyed or licensed non-domestic structures affected by development clearance might receive domestic removal allowance if they satisfied certain conditions.

68. D of L added that the proposed enhancements would also cover certain structures used for business undertakings and were held under licences issued after 1 June 1982, provided that the licences were derived from pre-1982 licences. D of L explained that Government Land Licences might be issued in respect of structures on agricultural land for storage purpose. If the structures were then occupied for domestic use and were affected by the Government's development clearance exercises, the occupants might still be eligible for Domestic Removal Allowance under the proposed enhancements to the EGA arrangements. D of L confirmed that the proposed enhancements did not cover structures on STTs. D of L referred members to Enclosure 1 to FCR(2013-14)33 for details, and to note 1 of the Enclosure for a detailed description of "licensed structure".

69. Mr Albert CHAN sought further clarification whether the licensed domestic structures mentioned in Enclosure 2 to FCR(2013-14)33 excluded hillside squatters. He said that hillside squatters were tolerated structures and were not held under licence.

70. D of L said that "licensed structures" referred to structures covered by licences issued by the Government. These licences permitted erection of temporary structures on Government land and private agricultural land. She said that the proposed enhancements to EGA would cover licensed domestic structures as well as surveyed domestic squatters registered in the 1982 SSS.

71. Mr LEE Cheuk-yan queried why the effective date of the proposed enhancements to the EGA arrangement could be backdated to 15 July 2013

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whereas the Old Age Living Allowance ("OALA") could only take effect on the date when it was approved by FC. PS(Tsy) explained that OALA was a new policy and it was prudent to exercise financial discipline not to backdate the commencement of OALA before it was approved by FC.

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

73. At 5:00 pm, the Chairman announced that the meeting be adjourned and that the next meeting would be held after a ten-minute break to deal with the three remaining items on the agenda.

74. At the permission of the Chairman, PS(Tsy) made a clarification on the effective date of the proposed enhancements to EGA arrangement. She said that the enhancement would take effect on the date when FC approved the item, but would be applicable only to those eligible occupiers affected by on-going and future land resumption and clearance exercises with effect from 15 July 2013.

75. The meeting was adjourned at 5:00 pm.

Legislative Council Secretariat
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