

立法會
Legislative Council

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seen by the Administration)

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Finance Committee of the Legislative Council

Minutes of the 58th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 6 May 2016, at 3:00 pm

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, 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 Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Hak-kan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS
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 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, BBS
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon CHAN Han-pan, JP
Dr Hon Kenneth CHAN Ka-lok
Hon CHAN Yuen-han, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon WONG Ting-kwong, SBS, JP
Dr Hon LEUNG Ka-lau
Hon IP Kwok-him, GBS, JP
Hon Albert CHAN Wai-yip
Hon NG Leung-sing, SBS, JP
Hon Frankie YICK Chi-ming, JP
Hon MA Fung-kwok, SBS, JP

Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Helena WONG Pik-wan
Dr Hon Elizabeth QUAT, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Alvin YEUNG Ngok-kiu

Public officers attending:

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
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mrs Cherry TSE LING Kit-ching, JP	Permanent Secretary for Food and Health (Food)
Mr Bill WONG Kwok-piu	Acting Principal Assistant Secretary for Food and Health (Food) ³
Dr LEUNG Siu-fai, JP	Director of Agriculture, Fisheries and Conservation
Ir Allen YEUNG Tak-bun	Government Chief Information Officer
Mr Vic YAU Cheuk-hang	Deputy Secretary for Security (2)
Mr Alex CHAN Yuen-tak	Principal Assistant Secretary for Security (B)
Mr Simon LEUNG Wing-hung	Senior Systems Manager (Security), Security Bureau
Ms Susanna TANG Ka-ling	Systems Manager (Security) 2, Security Bureau
Mr WOO Ying-ming	Assistant Commissioner of Correctional Services (Operations)
Mr LAW Yick-man	Assistant Commissioner of Correctional Services (Quality Assurance)
Mr WONG Steven	Senior Superintendent (Integrated Technology), Correctional Services Department
Mr Dennis CHENG Tung-kit	Senior Engineer (Project) 1, Electrical and Mechanical Services Department
Mr John LEE, PDSM, PMSM, JP	Under Secretary for Security
Mr Billy WOO	Principal Assistant Secretary for Security (D)

Mr David CHIU Wai-kai, IDSM	Assistant Director of Immigration (Personal Documentation)
Mr LOK Wai-man	Assistant Director of Immigration (Information Systems)
Miss Caroline FAN Mei-hing	Chief Systems Manager (Technology Services), Immigration Department
Mr Andrew TSANG Yue-tung	Principal Assistant Secretary for Security (E)
Mr Dennis CHING Chung-cham	Assistant Secretary for Security (E1)
Mr Edwin LAM Man-wing	Assistant Commissioner of Police (Information Systems Wing)
Mr Donnie CHOY Yuk-kwong	Chief Superintendent (Crime Support) (Crime Wing), Hong Kong Police Force
Mr Joseph AU Chin-chau	Chief Superintendent (Police Public Relations Branch)(Support Wing), Hong Kong Police Force
Mr Henry TAM Chak-hang	Chief Superintendent (Support Branch) (Support Wing), Hong Kong Police Force
Mr Frankie FONG Yiu-hang	Chief Systems Manager (Information Technology Branch)(Information Systems Wing), Hong Kong Police Force
Ir Dr Jolly WONG Chun-kau	Chief Telecommunications Engineer (Communications Branch)(Information Systems Wing), Hong Kong Police Force
Mr Niki CHOW Chun-fung	Senior Superintendent (Support Branch)(Support Wing), Hong Kong Police Force
Ms Monica AU YEUNG Mun-yee	Superintendent (Licensing Office) (Support Wing), Hong Kong Police Force
Mr Desmond CHU Hing-keung	Acting Superintendent (Criminal Records Bureau)(Crime Wing Headquarters), Hong Kong Police Force
Ir Diana CHAN Wing-yan	Senior Telecommunications Engineer (Communications Branch)(Information Systems Wing), Hong Kong Police Force

Ms Cammy LAI Hoi-fung

Senior Management Services Officer A
(Corporate Services Division)
(Information Systems Wing), Hong
Kong Police Force

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Mr Derek LO

Chief Council Secretary (1)5

Mr Raymond SZETO

Council Secretary (1)6

Mr Frankie WOO

Senior Legislative Assistant (1)3

Ms Michelle NIEN

Legislative Assistant (1)5

Action

Item No. 1 - FCR(2016-17)11

**HEAD 22 - AGRICULTURE, FISHERIES AND CONSERVATION
DEPARTMENT**

Subhead 700 - General non-recurrent

New Item "Sustainable Agricultural Development Fund"

The Chairman advised that this item invited the Finance Committee ("FC") to approve the creation of a new commitment of \$500 million for setting up the Sustainable Agricultural Development Fund ("SADF"). The Panel on Food Safety and Environmental Hygiene had been consulted on the proposal on 13 January 2015 and 8 March 2016. The Panel expressed support for the proposal. FC discussed this item on 29 April 2016 for about one and half hours and the deliberation had not yet completed. The meeting would continue with the deliberation. The Chairman reminded members to speak only on the issues that were directly related to the item.

Scope of SADF

2. Mr SIN Chung-kai declared that he owned farmland on the Lantau Island. Mr SIN enquired about the definition of "farmers" who were eligible to apply for the proposed SADF and the limit on the area of farmland; and the estimated number of farmers who were eligible to apply for SADF.

3. Mr TANG Ka-piu expressed support for the item. He considered that, compared with the cost of developing farmland, the amount of grants under SADF was not enough to attract aspiring entrants to join the farming industry.

4. Permanent Secretary for Food and Health (Food) ("PSFH") replied that farmers who were eligible to receive grants under SADF had to engage in commercial agricultural activities with proofs provided. According to the statistics of the Agriculture, Fisheries and Conservation Department ("AFCD"), as at the end of 2015, the number of farmers who were eligible to apply for SADF was about 2 000. Under the Farm Improvement Scheme ("FIS") supported by the proposed SADF, in order to achieve cost effectiveness, the farmland area of farmers applying for grants should be not less than one dau chung. She explained that, apart from the maximum grant capped at \$30,000 for each application under FIS, no maximum level of grant had been set for other projects supported by SADF. However, any grant exceeding \$15 million recommended by the SADF Advisory Committee would require the approval by FC. She advised that setting up an Agricultural Park ("Agri-Park") and Agricultural Priority Areas ("APAs") would also provide incentives for long-term agricultural development.

Development of leisure farming

5. Mr YIU Si-wing expressed support for the item. He requested the Administration to specifically explain the details of the projects for enhancing industry-wide manpower training, improving agricultural infrastructure and strengthening marketing and branding of local agricultural produce, as well as the conditions required for an officer responsible for vetting applications.

6. PSFH explained that the projects referred to by Mr YIU was to facilitate leisure farming projects, which were supplementary projects under commercial agricultural production. The purposes of such projects were to enhance the income of farmers, market agricultural produce of farmers and provide service facilities to visitors, including the sale of fresh agricultural produce or simple processed agricultural produce; and provide catering or lodging services to visitors in collaboration with neighboring villages. She advised that if projects relating to manpower training, marketing and improvement of agricultural infrastructure that applied for support under SADF could fulfill the aforesaid purposes, they would be considered by the Administration. She emphasized that application should not be purely for promoting tourism. Director of Agriculture, Fisheries and Conservation ("DAFC") added that the SADF Advisory Committee would only consider

those applications that would benefit local communities and were conducive to the sustainable development of the agricultural industry, instead of just for the benefits of individual farmers. PSFH advised that DAFC was responsible for deciding whether the applications should be approved, basing on the advices from the SADF Advisory Committee, which would be set up by the Administration. Members of the SADF Advisory Committee would include members of the public and members from the agricultural sector. The Administration was still in the process of making preparation for the establishment of the SADF Advisory Committee.

7. Mr Albert HO cast doubts on the effectiveness of revitalizing local agricultural development through promoting leisure farming. PSFH advised that developing leisure farming could enhance the income of farmers and create opportunities of promoting the development of neighboring villages. However, the benefits brought about by leisure farming to the agriculture policy was just supplementary in nature and was not the main driving force of promoting agricultural development.

Measures to facilitate rehabilitation of fallow agricultural land

8. Mr TANG Ka-piu enquired about the details of the policy of encouraging the rehabilitation of agricultural land. He requested the Administration to provide the names of non-governmental organizations ("NGOs") or farming organizations that had expressed interest in promoting rehabilitation of agricultural land.

[Post-meeting note: Supplementary information provided by the Administration was issued vide LC Paper No. FC211/15-16(01) on 19 May 2016.]

9. PSFH advised that the Administration intended to finance projects proposed by NGOs or organizations by making use of funds under SADF, so that these organizations would be responsible for coordinating with landowners of fallow agricultural land, leasing farmland from the landowners and then sub-leasing the land to individual farmers. These were done with a view to easing the landowners' burden of administering the leases with multiple farmers individually, so as to encourage landowners to release their farmland and ultimately achieve the objective of rehabilitating fallow agricultural land.

Expected benefits of the proposed SADF

10. Mr Albert HO, Dr Fernando CHEUNG, Mr Alan LEONG, Mr LEUNG Kwok-hung and Mr SIN Chung-kai were concerned about the extent of impact of SADF on the productivity and development of local agricultural industry. These members considered that the Administration should set indicators for the projects implemented under SADF in various aspects, such as increasing the variety, production and product value of local good-quality agricultural produce, the Gross Domestic Product and the area of farmland; otherwise, the Legislative Council or the Audit Commission would be unable to assess the effectiveness of the projects in the future. The Chairman and Dr Fernando CHEUNG requested the Administration to provide concrete illustrations of the expected benefits of the proposed SADF in writing. Mr LEUNG Kwok-hung enquired about the nature of activities in which the Agri-Park and APAs to be developed would actually engage. He considered that development of the Agri-Park and APAs would not help to promote the development of agricultural villages or enhance the income of farmers.

[Post-meeting note: Supplementary information provided by the Administration was issued vide LC Paper No. FC211/15-16(01) on 19 May 2016.]

11. PSFH and DAFC replied that funding support from SADF would help enhancing the quality, variety and market prices of local agricultural produce. In addition, introducing new farming practices and agro-technologies, increasing the area for farming, facilitating the transfer of knowledge and enhancing manpower training were also the objectives of the proposed SADF. Apart from farmers, eligible applicants also included academic and research institutions that could propose feasible agricultural programmes with development potential. The authorities considered that positive impact of the projects supported by SADF on the sector might not be immediately reflected in production or product value, therefore setting measurable objectives in respect of the increase in product variety, production or product value was not their primary concern. She advised that the Agri-Park and APAs to be developed would be mainly for farming purpose.

Framework of the SADF Advisory Committee

12. Mr LEUNG Kwok-hung was concerned about the criteria adopted in appointing the chairman and members of the SADF Advisory Committee and the percentage of members drawn from the sector. PSFH advised that the chairman would be a non-official with public service experience. Framework,

functions and monitoring mechanism of the SADF Advisory Committee had been provided in detail in the paper prepared by the Administration for the agenda item.

Coordination with other Bureaux

13. Miss CHAN Yuen-han was of the view that the Bureau could achieve the objective of increasing farmland area only through coordinating with other Bureaux, and she enquired whether the relevant coordination work had been proceeded properly. PSFH replied that the Agri-Park and APAs were the results of collaboration between several departments under the Food and Health Bureau and the Development Bureau, namely, AFCD, the Planning Department and the Lands Department. The two Policy Bureaux would jointly implement the projects.

Voting on FCR(2016-17)11

14. Members raised no further questions. The Chairman put item FCR(2016-17)11 to vote. The Chairman declared that FC approved the item.

Item No. 2 - FCR(2016-17)12

CAPITAL WORKS RESERVE FUND

Correctional Services Department

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

New Subhead "Installation of Electric Locks Security System in Stanley Prison"

New Subhead "Replacement and Enhancement of the Closed Circuit Television Systems for Pak Sha Wan Correctional Institution and Siu Lam Psychiatric Centre"

HEAD 710 – COMPUTERISATION

New Subhead "Replacement of Core Information Technology Systems with the Integrated Custodial and Rehabilitation Management System"

15. The Chairman advised that this item invited FC to approve three new commitments for the Correctional Services Department –

- (a) \$765,400,000 for installation of electric locks security system in Stanley Prison;

- (b) \$51,546,000 for replacement and enhancement of the closed circuit television systems for Pak Sha Wan Correctional Institution and Siu Lam Psychiatric Centre; and
- (c) \$352,754,000 for replacement of core information technology systems with the Integrated Custodial and Rehabilitation Management System in the Correctional Services Department.

The Security Bureau consulted the Panel on Security on the proposals on 5 January, 1 March and 12 April 2016. The Panel supported the submission of the proposals to FC for deliberation.

16. Members raised no further questions. The Chairman put the item to vote. The Chairman declared that FC approved the item.

Item No. 3 - FCR(2015-16)38
CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Immigration Department

New Subhead "Next Generation Electronic Passport System"

17. The Chairman advised that this item invited FC to approve a new commitment of \$357,833,000 for the Next Generation Electronic Passport System ("e-Passport-2 system"). The Security Bureau had consulted the Panel on Security on the proposal on 5 May 2015. The Panel supported the submission of the proposal to FC for deliberation.

Effectiveness of the e-Passport-2 system

18. Mr LEUNG Kwok-hung enquired how the e-Passport-2 system would provide convenience to those who made electronic submission of passport applications, and whether the risk of leakage of personal data would increase accordingly.

19. Assistant Director of Immigration (Information Systems) ("ADI/IS") advised that, upon the implementation of the e-Passport-2 system, apart from the existing online application method, members of the public could also use their mobile phones for connection with the network of the Immigration Department ("ImmD") for making applications for electronic Passports ("e-Passports"). It was anticipated that the number of electronic submission of passport applications would be doubled by then. He advised that as personal information sent by members of the public through mobile phones would be encrypted by ImmD, the Administration considered that network security measures were sufficient to protect the privacy of members of the public.

20. Mr CHAN Chi-chuen enquired about the reasons why the Administration currently did not accept online e-Passport applications for those aged below 11 and the additional security designs of the e-Passport-2 System. Mr CHAN considered that as a large amount of information was required for passport applications, the introduction of the additional mobile platform for submitting applications did not appeal much to members of the public to make applications electronically. He enquired about the number of online passport applications.

21. ADI/IS advised that the capacity of the e-Passport-2 System in processing online passport applications would be enhanced, so that it could support electronic submission of applications made by those aged below 11. Given that the International Civil Aviation Organization ("ICAO") recommended that its contracting members (including Hong Kong) should review passport security features every ten years or so, the authorities also intended to optimize the e-Passports in use since 2007, including enhancing the security features such as see-through window. The authorities understood that, due to the limited area on the screens of mobile phones, members of the public might find it inconvenient in inputting information. Contractors would be requested to make appropriate arrangements in developing the e-Passport-2 System in order to make it more convenient and quicker for applicants in filling in the relevant information. He advised that the percentage of successful online e-Passport applications in the total number of e-Passport applications at present was about 9%.

Level of security of the current HKSAR e-Passports

22. Mr James TO enquired about the functions of the chip of the HKSAR e-Passports and the contents of information stored.

23. ADI/IS explained that personal information printed on the page of personal particulars in the e-Passport, the issuing authority and date of issue were stored in the chip. ImmD would store the aforesaid information in the chip and affix digital signatures, and overseas immigration authorities could access the information in the chip with Basic Access Control, with a view to checking with the personal particulars printed on the passports. Meanwhile, overseas immigration authorities could also detect if the information in the chip had been altered or copied by passive authentication and active authentication, thereby achieving the purpose of verifying the authenticity of the passport. He added that overseas immigration authorities could only read the information in the chip while ImmD was the only authority that could alter any information in the chip.

24. Members raised no further questions. The Chairman put the item to vote. The Chairman declared that FC approved the item.

Item No. 4 - FCR(2016-17)13
CAPITAL WORKS RESERVE FUND

Hong Kong Police Force

HEAD 710 – COMPUTERISATION

New Subhead "Replacement and Upgrade of the Information Technology Infrastructure and Applications of the Hong Kong Police Force"

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

New Subhead "Replacement of the Command and Control Communications System of the Hong Kong Police Force"

25. The Chairman advised that this item invited FC to approve the following two new commitments for the Hong Kong Police Force ("HKPF") -

- (a) \$396,823,000 under Head 710 for the replacement and upgrade of the information technology infrastructure and applications; and
- (b) \$855,436,000 under Head 708 for the replacement of the Command and Control Communications System.

26. The Security Bureau had consulted the Panel on Security on the proposals on 1 March 2016. The Panel supported the submission of the proposals to FC for deliberation.

Effectiveness of the proposed item

27. Mr WU Chi-wai was concerned whether technologies of the new systems under the proposed item would be obsolete and could not meet the needs at that time upon its commissioning in 2019. He requested the authorities to state clearly the differences between the efficiency of the existing system and the new system. Mr WU enquired whether the Administration would take this opportunity of replacing or updating the systems to merge the system facilities together, so as to achieve better economy of scale. In addition, Mr WU enquired about the reasons for including tape libraries and tapes in the acquisition of computer hardware.

28. Under Secretary for Security ("US for S") responded that a group was formed under HKPF to monitor the development and procurement of the new system, to keep track of the latest products and technologies, and to request the suppliers to provide such products and technologies. He advised that HKPF had also set up a Committee on Information Technology which was responsible for formulating and implementing information technology policies. HKPF currently consolidated the relevant computer systems with several computer system platforms to support daily operation of HKPF. The current integration mode of basic facilities was the most appropriate one for maintaining system stability and security. He added that the existing three data centres should remain at various locations in consideration of operations, criticality of systems and security needs.

29. Chief Systems Manager (Information Technology Branch) (Information Systems Wing), Hong Kong Police Force ("CSM/HKPF") further responded that while the earlier data systems used legacy tape libraries and redundancy for information storage and backup, most of the new systems nowadays no longer used such method, yet the new storage hardware was still called tape libraries and redundancy. Depending on different conditions of individual infrastructure and applications, data processing speed of the new systems would be four to ten times faster than the existing ones by rough estimation. In case of system failure, recovery speed of the new systems would be substantially faster than the existing systems.

30. Mr LEUNG Kwok-hung requested for a concrete account of the capacity of the new data centre. In addition, he was concerned about the data network hardware to be replaced would be obsolete.

31. CSM/HKPF replied that the capacity of the new data centre would be able to meet the demands for as long as ten to 20 years. US for S responded that the existing data network had been in use by HKPF since 1990 and in 2012 when individual hardware manufacturers ceased producing some of the components one after another, HKPF had to acquire components in the market for repair and maintenance purpose. It was anticipated that the manufacturers would also progressively cease producing or supporting some of the requisite components in 2018. In addition, HKPF was also unable to update or enhance network security owing to the obsolete software programmes, therefore the replacement of obsolete components of data network was considered necessary.

The Hong Kong Police Licensing System

32. Mr CHAN Chi-chuen requested the Administration to explain the details of the additional services to be provided under the Hong Kong Police Licensing System. He enquired about the reasons why the Administration only proposed to provide online booking service for Certificate of No Criminal Conviction and other Conviction Record Check, rather than allowing members of the public to directly make online application for such Certificate and Conviction Record Check. Mr LEUNG Kwok-hung enquired whether online application or booking services would include application for No Objection Letter for processions or meetings.

33. Chief Superintendent (Support Branch) (Support Wing), Hong Kong Police Force advised that the new systems would provide one after another a series of services relating to online application for permits and licences and enquiry about application progress that were not available under the existing systems, including online application service for Security Personnel Permits, society registration, liquor licence and temporary liquor licence, arms licence, money lender's licence, pawnbroker's and massage establishment licences, but online application or booking services would not include notifications of processions or meetings made by members of the public to the Police. Members of the public were required to give such written notifications to the Police in person under the Public Order Ordinance (Cap. 245).

34. US for S supplemented that those who applied for Certificate of No Criminal Conviction, Criminal Conviction Data Request and Sexual Conviction Record Check had to go to the relevant offices in person for fingerprint identification, therefore only online booking service could be provided for the convenience of the applicants.

The Hong Kong Police Photo Repository

35. Mr LEUNG Kwok-hung was concerned about the security problem that unscrupulous members in the Police might improperly download, read, revise and distort or even disclose crime-related photos stored in the centralized database.

36. US for S and Assistant Commissioner of Police (Information Systems Wing) explained that, just as the network security work carried out by HKPF on other systems storing crime-related information, HKPF would adopt a series of network security measures, including setting access rights and download restrictions, maintaining computer log records, establishing regular audit mechanism, and an officer at the rank of Chief Superintendent would be charged with the responsibility of monitoring the use and operation of the system.

37. At 5:00 pm, the Chairman declared that the meeting be adjourned.

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

Legislative Council Secretariat
14 September 2016