

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 60th meeting
held at Conference Room 1 of the Legislative Council Complex
on Friday, 13 May 2016, at 3:00 pm

Members present:

Hon CHAN Kin-por, BBS, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
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 WONG Ting-kwong, SBS, 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 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 Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon James TIEN Pei-chun, GBS, JP
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
Hon Gary FAN Kwok-wai
Hon MA Fung-kwok, SBS, JP
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
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
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 CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
Hon Tony TSE Wai-chuen, BBS

Members absent:

Hon Albert HO Chun-yan
Dr Hon LAU Wong-fat, GBM, GBS, JP
Dr Hon LEUNG Ka-lau
Hon WONG Yuk-man
Hon Alice MAK Mei-kuen, BBS, 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 Helen CHAN, JP	Government Economist, Financial Secretary's Office
Ms Reddy NG, JP	Principal Economist (5), Financial Secretary's Office
Ms Kitty CHOI, JP	Director of Administration
Mr Jose YAM Ho-san	Commissioner for Heritage, Development Bureau
Mr Ricky WONG Chi-pan	Chief Assistant Secretary for Development (Works) 2, Development Bureau
Mr CHAN Ho-yin	Chief Property Services Manager (1), Architectural Services Department
Ms Amy SIT Oi-wah	Acting Chief Heritage Manager (Antiquities and Monuments), Antiquities and Monuments Office
Mr Max WONG	Supervisor (Leadership), The Hong Kong Federation of Youth Groups
Ms Irene NG	Coordination (Financial Control), The Hong Kong Federation of Youth Groups
Ms Iki CHAN	Development Officer, The Hong Kong Federation of Youth Groups
Mr CM LEE	Director, LWK and Partners (Hong Kong) Limited

Clerk in attendance:

Ms Anita SIT

Assistant Secretary General 1

Staff in attendance:

Mr Derek LO

Chief Council Secretary (1)5

Mr Keith WONG

Council Secretary (1)5

Mr Frankie WOO

Senior Legislative Assistant (1)3

Miss Yannes HO

Legislative Assistant (1)6

Action

Item No. 1 – FCR(2016-17)20

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 20 APRIL 2016**

PWSC(2016-17)2

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Social Welfare and Community Buildings – Community centres and halls

**201SC – Signature Project Scheme (Yuen Long District) – Construction of
a Yuen Long District Community Services Building**

Recreation, Culture and Amenities – Open spaces

**465RO – Signature Project Scheme (Tuen Mun District) – Revitalisation of
Tuen Mun River and Surrounding Area**

Recreation, Culture and Amenities – Cultural facilities

**67RE – Signature Project Scheme (Yau Tsim Mong District) – Yau Tsim
Mong Multicultural Activity Centre**

Recreation, Culture and Amenities – Open spaces

**460RO – Signature Project Scheme (Kwun Tong District) – Construction
of Lift Tower at Shung Yan Street in Kwun Tong**

Recreation, Culture and Amenities – Open spaces

**463RO – Signature Project Scheme (Eastern District) – Eastern District
Cultural Square**

Recreation, Culture and Amenities – Open spaces

**462RO – Signature Project Scheme (Kowloon City District) –
Revitalisation of the Rear Portion of the Cattle Depot**

Recreation, Culture and Amenities – Cultural facilities

**69RE – Signature Project Scheme (Tai Po District) – Establishment of an
Arts Centre by Retrofitting Tai Po Government Secondary School**

PWSC(2016-17)5

HEAD 706 – HIGHWAYS

Transport – Footbridges and pedestrian tunnels

**169TB – Lift and pedestrian walkway system at Cheung Hang Estate,
Tsing Yi**

**175TB – Lift and pedestrian walkway system between Kwai Shing Circuit
and Hing Shing Road, Kwai Chung**

168TB – Lift and pedestrian walkway system at Waterloo Hill

**164TB – Footbridge connecting Tsuen Wan Plaza, Skyline Plaza and
adjacent landscaping area**

**158TB – Elevated walkway between Tong Ming Street and Tong Tak
Street, Tseung Kwan O**

The Chairman advised that the item sought the approval of the Finance Committee ("FC") of the recommendations of the Public Works Subcommittee ("PWSC") made at its meeting on 20 April 2016, i.e., the recommendations made in PWSC(2016-17)2 and PWSC(2016-17)5. Members originally requested that one of the projects listed in the first paper, namely, 66RG, be voted on separately at the FC meeting. The Chairman cited from the Administration that FC would be invited to deliberate on 66RG in due course so that the progress of other projects would not be affected. Members did not request separate voting for the remaining recommendations at the FC meeting.

2. The Chairman declared that he was a consultant of the Munich Re and he did not have any direct or indirect pecuniary interest in the item.

3. There being no further questions, the Chairman put FCR(2016-17)20 to vote. The Chairman declared that the Committee approved the item.

Item no. 2 – FCR(2016-17)15

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 29 FEBRUARY 2016**

EC(2015-16)14

**HEAD 142 – GOVERNMENT SECRETARIAT: OFFICES OF THE
CHIEF SECRETARY FOR ADMINISTRATION AND
THE FINANCIAL SECRETARY**

Subhead 000 – Operational expenses

Item no. 3 – FCR(2016-17)16

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 2 MARCH 2016**

EC(2015-16)13

**HEAD 142 – GOVERNMENT SECRETARIAT: OFFICES OF THE
CHIEF SECRETARY FOR ADMINISTRATION
AND THE FINANCIAL SECRETARY**

Subhead 000 – Operational expenses

4. The Chairman advised that item no. 2 sought FC's approval of the recommendation of the Establishment Subcommittee ("ESC") made at its meeting on 29 February 2016, i.e., the recommendation made in EC(2015-16)14, for the retention of a supernumerary post of a Principal Economist for a period of three years in the Economic Analysis Division ("EAD") of the Economic Analysis and Business Facilitation Unit ("EABFU") under the Financial Secretary's Office. Item no. 3 sought FC's approval of the recommendation of ESC made at its meeting on 2 March 2016, i.e., the recommendation made in EC(2015-16)13, on the following –

- (a) the creation of a new rank and permanent post entitled Government Economist at D5 and to be offset by the deletion of the existing rank and permanent post entitled Government Economist at D4; and
- (b) the creation of a new rank and permanent post entitled Deputy Government Economist at D3.

5. The Chairman pointed out that FC had commenced a joint discussion on items no. 2 and 3 at its meeting on 6 May 2016 but the items had not been put to vote.

Motion to adjourn the discussion on FCR(2016-17)15

6. The Chairman advised that at the previous meeting, Mr LEUNG Kwok-hung moved under Paragraph 39 of the Finance Committee Procedure that the discussion on FCR(2016-17)15 be adjourned. FC proceeded further with the motion. He invited members who wished to speak to do so. Mr TAM Yiu-chung spoke against the motion.

7. There being no members speaking on the motion, the Chairman put Mr LEUNG Kwok-hung's motion to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes.

8. The Chairman declared that three members voted in favour of and 38 members voted against the motion. One member abstained from voting. The votes of individual members were as follows –

For:

Mr LEUNG Kwok-hung
Mr CHAN Chi-chuen
(3 members)

Mr Albert CHAN Wai-yip

Against:

Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr WONG Kwok-hing
Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong
Dr LAM Tai-fai
Mr IP Kwok-him
Mr Alan LEONG Kah-kit
Mr James TIEN Pei-chun
Mr Steven HO Chun-yin
Mr YIU Si-wing
Mr Charles Peter MOK
Mr LEUNG Che-cheung
Mr Dennis KWOK
Mr SIN Chung-kai
Mr IP Kin-yuen
Mr Martin LIAO Cheung-kong
Dr CHIANG Lai-wan
Mr Christopher CHUNG Shu-kun
(38 members)

Ms Emily LAU Wai-hing
Mr Tommy CHEUNG Yu-yan
Prof Joseph LEE Kok-long
Mr Andrew LEUNG Kwan-yuen
Ms Starry LEE Wai-king
Dr Priscilla LEUNG Mei-fun
Mrs Regina IP LAU Suk-ye
Mr Michael TIEN Puk-sun
Mr NG Leung-sing
Mr Frankie YICK Chi-ming
Mr MA Fung-kwok
Mr CHAN Han-pan
Mr Kenneth LEUNG
Mr Christopher CHEUNG Wah-fung
Dr Helena WONG Pik-wan
Dr Elizabeth QUAT
Mr POON Siu-ping
Ir Dr LO Wai-kwok
Mr Tony TSE Wai-chuen

Abstained

Mr Gary FAN Kwok-wai
(1 member)

9. The Chairman declared that Mr LEUNG Kwok-hung's motion was negatived.

Continuation of the joint discussion on items FCR(2016-17)15 and 16

10. FC continued the joint deliberation on items FCR(2016-17)15 and 16.

11. Mr Albert CHAN criticized the Administration for failing to gauge public sentiments and respond to people's aspirations despite the continual expansion of the establishment of directorate posts. He expressed his opposition to the funding proposal. Criticizing the Administration's population policy and its poverty alleviation efforts, Mr LEUNG Kwok-hung said that it would be difficult for him to support the funding proposal. Dr Fernando CHEUNG was concerned that the initiatives in the latest Budget leaned too much on the middle and upper strata of society which would exacerbate the disparity between the rich and the poor. He requested the Economists to provide relevant data analyses on the effects of the financial budgets and other important economic measures on the changes in the poverty rate and wealth gap. Dr KWOK Ka-ki was concerned that the job duties of Economists fell short of public aspiration, and criticized that the analyses made by Economists were often adjusted according to the stand taken by the Government so as to defend government policies and undermine the welfare of the low-income and poor population.

12. Mr LEE Cheuk-yan asked the Administration to clarify whether the job duties of Economists were only limited to making analyses on economic costs while making no attempt to assess the impact of government policies and measures on social costs. Dr Kenneth CHAN expressed a similar concern. Mr LEE made the criticism that economic data from the Government often made the business sector worried such that businesses used this as an excuse to deprive workers of their rights and shift the burden to consumers. Mr Kenneth LEUNG was concerned about whether the contributions made by the Economists were only limited to analyzing and providing economic data, instead of causing any impact on governance.

13. In response to members' concerns, Government Economist advised that the duties of Section V of EAD under EABFU included analyzing Hong Kong's poverty situation, assessing its underlying forms and causes as well as the impact of economic cycles on poverty trends, and assisting in the formulation of relevant policies and measures. In the future, Section V would continue with the above analyses, with focused studies on the disadvantaged and grassroots families, including in-depth studies on the income mobility of recent post-secondary graduates from grassroots families in Hong Kong. She added that the analyses on the poverty line was solely based on data and there was no intention to deliberately distort the poverty situation. Government Economist pointed out that for those topics of great significance which involved important economic considerations, the EABFU would provide the relevant analyses and render technical support while the committees concerned would arrange public consultation. The EAD would also give technical briefings on more complicated economic quantitative assessments and its work was under public surveillance. The EABFU would continue to adopt a professional and objective stand in making economic analyses. Quantified data and indicators would be provided to assess the impacts of policies and measures on the economy. At the request of Mr LEUNG Kwok-hung, the Government agreed to provide supplementary papers to FC on the future directions of Section V of the EAD.

[Post-meeting note: The supplementary information provided by the Administration was issued to members vide LC Paper No. FC284/15-16(01) on 22 July 2016.]

14. Dr Kenneth CHAN asked how the funding proposal could fit in with the development strategies of "One Belt, One Road" of the Mainland. Government Economist pointed out that the "One Belt, One Road" study formed a part of the macro economy. With the Mainland as an important market for Hong Kong, studies on the Mainland would help understand the challenges and opportunities brought about by the integration of Hong Kong with China. Section III of the EAD would provide the necessary support and data analyses at the request of policy bureaux. In view of the heavy workload as well as the tight manpower and internal resources of the other four sections under the EAD, it was operationally impracticable for them to share the workload of section V, therefore, it was necessary to retain the supernumerary post of Principal Economist in Section V. In response to the further questions from Dr CHAN, Government Economist said that in the latter part of this year, the Administration would collect data and conduct topical analyses on the recent situation of the NEET group, i.e., young people not in employment, education or training who were not engaged in economic activities either.

15. Ms Claudia MO asked the Administration to comment on the idea of whether too much emphasis had been placed on the importance of tourism to the local economy. Government Economist responded that a macro perspective was used to assess the role played by tourism on the development of the local economy. The tourism industry had provided more than 200 000 job opportunities for Hong Kong and therefore its importance should not be overlooked.

16. There being no further questions from members, the Chairman put FCR(2016-17)15 to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes.

17. The Chairman declared that 38 members voted in favour of and three members voted against the item. One member abstained from voting. The votes of individual members were as follows –

For:

Mr LEE Cheuk-yan	Mr CHAN Kam-lam
Ms Emily LAU Wai-hing	Mr TAM Yiu-chung
Mr Abraham SHEK Lai-him	Mr Frederick FUNG Kin-kee
Mr Vincent FANG Kang	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee	Mr Paul TSE Wai-chun
Mr Michael TIEN Puk-sun	Mr James TIEN Pei-chun
Mr NG Leung-sing	Mr Steven HO Chun-yin
Mr Frankie YICK Chi-ming	Mr WU Chi-wai
Mr YIU Si-wing	Mr MA Fung-kwok
Mr CHAN Han-pan	Dr Kenneth CHAN Ka-lok
Miss CHAN Yuen-han	Mr LEUNG Che-cheung
Mr Kenneth LEUNG	Mr KWOK Wai-keung
Mr Dennis KWOK	Mr Christopher CHEUNG Wah-fung
Mr SIN Chung-kai	Mr IP Kin-yuen
Dr Elizabeth QUAT	Mr POON Siu-ping
Mr TANG Ka-piu	Dr CHIANG Lai-wan
Ir Dr LO Wai-kwok	Mr Tony TSE Wai-chuen
(38 members)	

Against:

Mr LEUNG Kwok-hung	Mr Albert CHAN Wai-yip
Mr CHAN Chi-chuen	
(3 members)	

Abstained:

Mr IP Kwok-him
(1 member)

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

19. The Chairman then put FCR(2016-17)16 to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes.

20. The Chairman declared that 39 members voted in favour of and four members voted against the item. The votes of individual members were as follows –

For:

Mr CHAN Kam-lam
Mr TAM Yiu-chung
Mr Frederick FUNG Kin-kee
Mr Jeffrey LAM Kin-fung
Mr WONG Ting-kwong
Dr Priscilla LEUNG Mei-fun
Mr IP Kwok-him
Mr Paul TSE Wai-chun
Mr James TIEN Pei-chun
Mr Steven HO Chun-yin
Mr WU Chi-wai
Mr MA Fung-kwok
Miss CHAN Yuen-han
Mr Kenneth LEUNG
Mr Dennis KWOK
Mr SIN Chung-kai
Dr Elizabeth QUAT
Mr TANG Ka-piu
Ir Dr LO Wai-kwok
Mr Tony TSE Wai-chuen
(39 members)

Ms Emily LAU Wai-hing
Mr Abraham SHEK Lai-him
Mr Vincent FANG Kang
Mr Andrew LEUNG Kwan-yuen
Ms Starry LEE Wai-king
Mr WONG Kwok-kin
Mrs Regina IP LAU Suk-yee
Mr Michael TIEN Puk-sun
Mr NG Leung-sing
Mr Frankie YICK Chi-ming
Mr YIU Si-wing
Mr CHAN Han-pan
Mr LEUNG Che-cheung
Mr KWOK Wai-keung
Mr Christopher CHEUNG Wah-fung
Mr IP Kin-yuen
Mr POON Siu-ping
Dr CHIANG Lai-wan
Mr CHUNG Kwok-pan

Against:

Mr LEE Cheuk-yan
Mr Albert CHAN Wai-yip
(4 members)

Mr LEUNG Kwok-hung
Mr CHAN Chi-chuen

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

Item no. 4 – FCR(2016-17)17

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 25 NOVEMBER 2015**

PWSC(2015-16)45

**HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND
EQUIPMENT**

**19QW – Revitalisation Scheme – Revitalisation of the Former Fanling
Magistracy into the Hong Kong Federation of Youth Groups
(HKFYG) Institute for Leadership Development**

22. The Chairman advised that the item sought FC's approval of the recommendation of PWSC made at its meeting on 25 November 2015 in PWSC(2015-16)45 for the upgrading of 19QW, entitled Revitalisation of the Former Fanling Magistracy into the Federation of Youth Groups ("HKFYG") Institute for Leadership Development ("the Institute"), into Category A at an estimated cost of \$111.6 million in money-of-the-day prices. Some members requested that the recommendations be voted on separately at the FC meeting.

23. The Chairman pointed out that the PWSC had discussed the item at three meetings and a total of more than three hours were used on the deliberation. The Administration had submitted two supplementary information papers (LC PWSC19/15-16 and PWSC50/15-16).

24. The Chairman declared that he was a consultant of the Munich Re and he did not have any direct or indirect pecuniary interest in this item.

Participants of programmes offered by the Institute

25. Expressing his reservations about the funding proposal, Mr Albert CHAN was concerned that the proposed hostel block might be used by the HKFYG to receive the children of the rich and powerful from the Mainland. He urged the HKFYG to guarantee that the hostel block would mainly be open to local young people. Expressing support for the funding proposal, Mr TAM Yiu-chung believed that the Institute would be used by the HKFYG improperly.

26. Supervisor (Leadership), HKFYG pointed out that the aim of the Institute was to increase the sense of responsibility for the community among young people while at the same time enhance their international perspective and leadership skills. The paper submitted to FC had set out clearly that the HKFYG would reserve 80% of the places for its programmes to local young people while the remaining 20% would be allocated to participants from all over the world. In addition, most of the 90 bed spaces provided in the hostel block were bunk beds with "no-frills" design. In reply to a question from Mr CHAN Chi-chuen, Supervisor (Leadership), HKFYG advised that the HKFYG would submit annual reports to the Government on the operation of the Institute, including the proportion of local and overseas participants to its training programmes. With respect to lease arrangements, priority for the bed spaces would be accorded to groups organizing leadership training programmes.

27. Mr CHAN Chi-chuen enquired whether the facilities in the Institute were disability-friendly. Supervisor (Leadership), HKFYG advised that the Institute was barrier-free and three hostel rooms were exclusively for use by persons with disabilities.

Monitoring the income and expenditure as well as operation of the Institute

28. Mr LEE Cheuk-yan noted that the Government would collect a nominal annual rent at \$1 from the HKFYG for leasing the site of the Institute and the Institute would operate under a self-financing mode. He was concerned about how the HKFYG would handle the profits gained by operating the Institute and how the operation of the Institute was to be monitored. Expressing a similar concern, Mr CHAN Chi-chuen noted that the main source of income of the Institute was from organizing leadership training programmes, leasing hostel facilities and providing catering service. He asked about the fees charged for these services and when the Institute was expected to achieve a fiscal balance.

29. In response, Commissioner for Heritage, Development Bureau pointed out that the HKFYG had to set up a special-purpose company in the capacity of a charitable organization for the project. The surplus arising from the operation of the project would have to be injected in full into the operation of the Institute. Since the Institute was located in a revitalised historical building, the requirements for routine repair and maintenance would be more stringent. With respect to monitoring the operation of the Institute, the Government would sign a lease agreement with the HKFYG which would list out the conditions and service indicators that the HKFYG had to meet. The HKFYG would need to submit reports and annual statements on a regular basis.

Action

The financial statements concerned would need to be audited by a professional accountant to ensure that the operation was sound and that profits earned from the project would not be used to support other projects. The Administration would also review the operation of the Institute on a regular basis to ensure that the requirements were met. Supervisor (Leadership), HKFYG added that the fees charged by the Institute would be set with reference to the fees currently charged by the HKFYG for its non-profit-making services and those services offered by universities. The fee for a one-day course would be around \$90; the accommodation fee would be about \$120 per night; and a meal would be charged at around \$20. With reference to the experience in similar projects, it was expected that the Institute would achieve a fiscal balance during the third year of its operation.

30. At 5:01 pm, the Chairman declared that the meeting be adjourned.

31. The meeting adjourned at 5:01 pm.

Legislative Council Secretariat

30 August 2016