

**立法會**  
***Legislative Council***

LC Paper No. FC314/15-16  
(These minutes have been  
seen by the Administration)

Ref : FC/1/1(32)

**Finance Committee of the Legislative Council**

**Minutes of the 68<sup>th</sup> meeting**  
**held at Conference Room 1 of the Legislative Council Complex**  
**on Friday, 3 June 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 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 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 NG Leung-sing, SBS, JP  
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  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
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:**

Dr Hon LAU Wong-fat, GBM, GBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Paul TSE Wai-chun, JP  
Hon Steven HO Chun-yin, BBS  
Hon KWOK Wai-keung  
Hon SIN Chung-kai, SBS, JP  
Hon IP Kin-yuen  
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)
Ms Cordelia LAM Wai-ki	Principal Assistant Secretary for Transport and Housing (Transport) 2
Ms Macella LEE, JP	Assistant Commissioner for Transport (Management and Paratransit)
Mr TAI Tak-him, JP	Deputy Director of Electrical and Mechanical Services (Trading Services)
Mr CHAN Ping-sun	Chief Engineer (Project), Electrical and Mechanical Services Department
Mr CHAN Wai-pui	Acting Senior Engineer (Project) 4, Electrical and Mechanical Services Department
Mr Edward MOK	Senior Engineer (Project) 6, Electrical and Mechanical Services Department
Mr Laurie LO Chi-hong, JP	Deputy Secretary for Home Affairs (1)
Mr Vincent FUNG Hao-yin	Principal Assistant Secretary for Home Affairs (Civic Affairs) 1

Mr Alan SIN Kwok-leung	Chief Technical Adviser (Subvented Projects), Architectural Services Department
Mr James CHAN Yum-min Mrs Bridget YU CHAN Wai-ping	Chief Executive Officer, Po Leung Kuk Principal Social Services Secretary (Family, Child Care, Children and Youth), Po Leung Kuk
Mr Eddie LEUNG Yu-cheung	Head of Property and Works, Po Leung Kuk
Ms Amy FUNG	Deputy Executive Director, The Hong Kong Federation of Youth Groups
Ms Phoenix NGAI	Supervisor, The Hong Kong Federation of Youth Groups
Mr C H NG	Managing Director, Handi Architects Limited

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**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
Ms Michelle NIEN	Legislative Assistant (1)5
Ms Yannes HO	Legislative Assistant (1)6

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Action

**Item No. 1 – FCR(2016-17)32**

**CAPITAL WORKS RESERVE FUND**

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

**Transport Department**

**New Subhead – "Replacement of Fire Alarm System in the Aberdeen Tunnel"**

**New Subhead – "Replacement of Manual Toll Collection System in the Aberdeen Tunnel"**

**New Subhead – "Replacement of Traffic Control and Surveillance System in the Eastern Harbour Crossing"**

**New Subhead – "Replacement of Traffic Control and Surveillance System in the Kai Tak Tunnel"**

**New Subhead – "Replacement of Tunnel Lighting System in the Kai Tak Tunnel"**

Opinion on the arrangement of meeting agenda

Ms Emily LAU considered that the Finance Committee ("FC") had scheduled three meetings for the day but would discuss four agenda items only. This was not a good use of meeting time. Mr Albert CHAN, Mr LEUNG Kwok-hung and Mr CHAN Chi-chuen expressed the same concern. The Chairman agreed that more agenda items should be arranged for discussion, and mentioned that he had suggested to the Administration that it should make good use of the meeting time.

2. Permanent Secretary for Financial Services and the Treasury (Treasury) ("PSFST(T)") responded that some of the items planned to be submitted to FC could only be included in the FC agenda after the Public Works Subcommittee, the Establishment Subcommittee or the relevant Panels had completed discussions on them. Once they were ready, the Administration would certainly submit these items to FC for discussion as soon as possible.

Discussion on FCR(2016-17)32

3. The Chairman said that this item invited FC to approve the following five new commitments for the Transport Department –

- (a) \$15,120,000 for replacement of Fire Alarm System in the Aberdeen Tunnel;

- (b) \$19,908,000 for replacement of Manual Toll Collection System in the Aberdeen Tunnel;
- (c) \$145,650,000 for replacement of Traffic Control and Surveillance System in the Eastern Harbour Crossing;
- (d) \$112,040,000 for replacement of Traffic Control and Surveillance System in the Kai Tak Tunnel; and
- (e) \$85,900,000 for replacement of Tunnel Lighting System in the Kai Tak Tunnel.

The Transport and Housing Bureau had consulted the Panel on Transport on the funding proposals on 12 May 2015 and 15 April 2016. Mr WU Chi-wai requested for taking out the above-mentioned commitment for replacement of Tunnel Lighting System in the Kai Tak Tunnel for separate voting, the Government had no objection to this.

Introduction of electronic toll collection system for tunnels to replace manual toll collection system

4. Mr LEUNG Kwok-hung, Dr KWOK Ka-ki, Mr LEUNG Yiu-chung, Dr Fernando CHEUNG and Ir Dr LO Wai-ki wondered why the Administration had not considered introducing electronic toll collection system to the Aberdeen Tunnel instead of replacing the manual toll collection system in the Tunnel. Mr LEUNG Kwok-hung pointed out that the touch-and-pay mode had become increasingly popular, and the new Tseung Kwan O – Lam Tin Tunnel would also use electronic toll collection system. He inquired about why Aberdeen Tunnel would not use electronic toll collection system instead.

5. In response, Assistant Commissioner for Transport (Management and Paratransit) remarked that apart from the manual toll collection system and Autotoll automatic toll collection system, the Administration would launch the "stop-and-go" e-payment system in 2017. The Administration would review public acceptability of the abovementioned three toll collection systems, as a reference for development of toll collection systems in future. As over 50% of vehicles using tunnels were still using manual toll collection system, manual toll collection needed to be retained at this stage. Chief Engineer (Project), Electrical and Mechanical Services Department ("CE(P), EMSD") supplemented that for the works at Aberdeen Tunnel, space would be reserved for connection to "stop-and-go" e-payment system in future. Regarding the toll collection facilities at Tseung Kwan O - Lam Tin Tunnel, according to the understanding of the Principal Assistant Secretary for Transport and Housing

(Transport) 2 ("PASTH(T)2"), due to geographical constraints, manual toll collection facilities could not be set up at the Tunnel, the Administration was therefore studying the feasibility of setting up an electronic toll collection system.

6. Dr KWOK Ka-ki was concerned that the Administration would need to carry out works again in mid-2017 to replace the manual toll collection system at the Aberdeen Tunnel with the "stop-and-go" e-payment system, which would entail additional cost. Mr LEUNG Yiu-chung expressed similar concern and pointed out that it would be more cost effective to replace the manual toll collection system with the "stop-and-go" e-payment system on this occasion.

7. Acting Senior Engineer (Project) 4, EMSD responded that the works would include the installation of a Central Data Processor System applicable to the manual toll collection system, the replacement of intercoms, signal lights and the installation of the facilities which could connect with the "stop-and-go" e-payment system. As a result, it would not entail additional cost in future.

8. Mr LEUNG Yiu-chung and Ms Claudia MO enquired when the manual toll collection system would be replaced. Acting Senior Engineer (Project) 4, EMSD responded that the manual toll collection system would be replaced from March 2018 onwards.

9. Dr Fernando CHEUNG pointed out that many overseas cities had been using electronic road toll collection systems for many years. He criticized that the electronic road toll collection systems in Hong Kong were operated on a commercial basis, which required the imposition of extra charge on drivers, thereby hampering the development of electronic toll collection system for Hong Kong's tunnels. The Chairman enquired whether the Administration had encouraged drivers to install automatic toll collection system.

10. PASTH(T)2 mentioned that the Administration had been closely monitoring the development of electronic road toll collection systems. Some of the automatic road toll collection systems used in overseas cities required car owners to install additional devices in their cars, which would involve extra costs.

Manpower needed after introducing the "stop-and-go" e-payment system

11. Dr KWOK Ka-ki enquired whether the manpower level required for operating the toll booths in the tunnels would be the same after the introduction of the "stop-and-go" e-payment system. Ms Claudia MO was concerned that failure of the "stop-and-go" e-payment system might cause traffic congestion.

12. PASTH(T)2 responded that the "stop-and-go" e-payment system would accept various types of payment cards for the convenience of the drivers. Even if the "stop-and-go" e-payment system was launched, the Government still needed to keep the toll booth for manual toll collection. As a result, drivers could use the manual toll collection system in case of the failure of the payment cards and card readers of the "stop-and-go" e-payment system.

13. Ms Claudia MO enquired why the Administration divided the works into two contracts for the replacement of the manual toll collection system and the addition of "stop-and-go" e-payment system in the manual toll collection system respectively. Assistant Commissioner for Transport (Management and Paratransit) replied that the addition of "stop-and-go" e-payment system was relatively simple and involved the installation of card readers only; however, the replacement of manual toll collection system would involve the entire toll collection facilities, including the replacement of the Central Data Processor System. As a result, the two projects would be implemented under two separate contracts.

Using light emitting diode ("LED") for tunnel lighting

14. Mr WU Chi-wai was dissatisfied with the Administration for its proposal to use T5 fluorescent tubes ("T5") with poorer performance in energy saving in Kai Tak Tunnel for lighting, instead of considering the views of members of the Panel on Transport about the use of LED lamps. Ir Dr LO Wai-kwok also expressed similar views.

15. In response, Deputy Director of Electrical and Mechanical Services (Trading Services) ("DDEMS(TS)") stated that according to the measurements by EMSD, temperatures at the entrances and exits of Tseung Kwan O Tunnel, Kai Tak Tunnel and Aberdeen Tunnel were as high as 58°C. However, the LED lamps currently produced by suppliers could only withstand temperature of only around 50°C. The Administration would need to take into account that high temperature might cause LED lamp failure, which would affect the safe operation of the tunnel. As a result, LED lamps might not be suitable for use in road tunnels in Hong Kong. Nevertheless, the Administration was committed to promoting the use of LED lamps for tunnel lighting for saving



energy. It had therefore proposed to set test points in Kai Tak Tunnel to conduct tests on the efficiency of LED lamps in a tunnel environment.

16. Mr WU Chi-wai asked whether the Administration had considered using LED lamps inside the tunnels while installing other types of lamps for lighting at such points with higher temperatures as tunnel entrances and exits. Mr LEUNG Kwok-hung and Ir Dr LO Wai-kwok raised the same query. Regarding the tests conducted by the Administration on LED lamps for lighting in Kai Tak Tunnel to evaluate their suitability for use in tunnels, Ir Dr LO suggested that the Administration conduct the tests in other tunnels as early as possible, without having to wait for the test results of Kai Tak Tunnel.

17. Senior Engineer (Project) 6 ("SE(P)6, EMSD") explained that the tests on LED lamps in Kai Tak Tunnel were conducted after site inspection had indicated that there was adequate space in the tunnel area to install a full set of LED lamps. The Administration would install in the area LED lamps of different types and ratings at designated locations. Some devices would also be installed to measure the energy efficiency of the system and regularly measure the extent of lumen depreciation for future assessment.

18. Mr WONG Yuk-man enquired whether the Administration had referred to the experiences of other countries or cities using LED for tunnel lighting. CE(P), EMSD replied that the Administration had referred to the designs of overseas tunnel lighting system and learnt that the city of Hue in Vietnam, which had a climate similar to that of Hong Kong, had recently used LED lamps for tunnel lighting. However, the vehicular traffic flow in tunnels there and the effectiveness of the system remained to be determined. The Government therefore needed to study carefully the reliability and stability of LED lamps when they were used in the hot and humid environment inside tunnels in Hong Kong.

#### Energy saving data of different lights in the tests

19. Mr WU Chi-wai was not convinced by the Administration's explanation about the unsuitability of LED lamps for use for tunnel lighting. Quoting the findings from tests conducted by Highways Department that low and medium-wattage LED lamps performed better than high pressure sodium lamps, Mr WU requested the Administration to provide information on the comparison between low, medium, and high-wattage LED lamps and high pressure sodium lamps in terms of price, energy consumption, lumen depreciation and life-span. Dr Fernando CHEUNG required EMSD to provide information on the comparison between T5 and LED in terms of applicability

and cost-effectiveness, as well as performance among LED lamps produced by different manufacturers.

20. DDEMS(TS) replied that the Administration did not question the performance of LED lamps and took a positive attitude towards using them. Nevertheless, their cost-effectiveness, the constraints in existing tunnels and the operating environment in Hong Kong would need to be taken into account. The Government and manufacturers had reviewed the feasibility of using LED lamps in existing tunnels. Subject to the approval of the funding proposal, the Administration would test the T5 and LED lamps together.

21. Regarding the comparison between low, medium, and high-wattage LED and high pressure sodium lamps, SE(P)6, EMSD said that as for efficiency (i.e. the ratio of luminous flux to power, measured in lumens per watt, the larger the number, the higher the efficiency), LED lamps available on the market had luminous efficiency ranging between 90 to 135; for T5, 90 to 100; and for high pressure sodium lamps, 110 to 140. However, SE(P)6, EMSD pointed out that at present there was no unified international standards regulating the manufacture and testing of LED lamps, their efficiency data were provided by the manufacturers and could not be compared rashly. Therefore, EMSD needed to conduct field tests in Kai Tak Tunnel for comparison.

22. Mr WU Chi-wai noted that the target completion date of the replacement of the tunnel lighting system was 2019, which was still some time from now. He suggested that the Administration should include more aggressive energy-saving target in the works contract as soon as possible, such as providing for overall saving of power consumption of 15-20%. SE(P)6, EMSD replied that the Administration would try to select lamps with better energy efficiency for this project.

#### Water proof effect of the proposed lamps

23. Dr KWOK Ka-ki noted that flooding had occurred in Kai Tak Tunnel in the past two years due to raining. He enquired how the Administration could ensure that the newly installed lighting lamps would not be damaged by flooding.

24. SE(P)6, EMSD replied that all the lamps for the tunnel lighting system in Kai Tak Tunnel were installed at higher points near the ceiling of the Tunnel and had protection against rain water. As a result, the lamps would not be affected.

Implementation period of the project

25. Mr WONG Yuk-man considered that the nature of the project for the replacement of tunnel facilities was simple, but the proposed implementation period was very long, which could easily lead to delays or cost overruns.

26. CE(P), EMSD replied that the Administration had set the above target completion date having regard the time required for similar works in other tunnels. In order not to affect the normal operation of the Tunnel, installation works could only be conducted at night when maintenance works were carried out in the tunnel. In addition, the locations for installing the facilities were scattered inside the tunnel tubes, some of which were quite difficult to reach, the Administration therefore needed to conduct field investigation before implementing the project. During the implementation period, the Administration would also need to inspect the site first to ensure tunnel safety and the installation of the system would not affect traffic flow before reopening of the Tunnel to traffic.

27. There being no further question from members, the Chairman put a total of four commitments concerning the Fire Alarm System and the Manual Toll Collection System in the Aberdeen Tunnel, as well as the Traffic Control and Surveillance System in the Eastern Harbour Crossing and the Kai Tak Tunnel in the item FCR(2016-17)32 to vote.

28. The Chairman was of the view that the majority of the members voting were in favour of the proposals and declared that the proposals were approved.

29. The Chairman then put the commitment concerning the Tunnel Lighting System in the Kai Tak Tunnel in the item FCR(2016-17)32 to vote.

30. The Chairman was of the view that the majority of the members voting were in favour of the proposal and declared that the proposal was approved.

**Item No. 2 – FCR(2016-17)33**

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 4 MAY 2016**

**PWSC(2015-16)60**

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

**Subventions – Miscellaneous**

**44QJ – Youth Hostel Scheme – Construction works by Po Leung Kuk for  
the youth hostel project in Ma Tin Pok, Yuen Long**

**Item No. 3 – FCR(2016-17)34**

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 18 MAY 2016**

**PWSC(2016-17)10**

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

**Subventions – Miscellaneous**

**41QJ – Youth Hostel Scheme – Construction by The Hong Kong  
Federation of Youth Groups**

31. The Chairman stated that Items No. 2 and 3 were related to the Youth Hostel Scheme, he proposed to discuss the items together, and then vote separately.

32. The Chairman gave a brief summary of the two items: Item No. 2 sought approval of the recommendation of the Public Works Subcommittee made at its meeting held on 18 May 2016, i.e. the recommendation in PWSC(2015-16)60, about the upgrading of part of 44QJ – Youth Hostel Scheme – Construction works by Po Leung Kuk for the youth hostel project in Ma Tin Pok, Yuen Long, entitled "pre-construction works by Po Leung Kuk for the youth hostel project in Ma Tin Pok, Yuen Long" to Category A at an estimated cost of \$68.1 million in money-of-the-day prices, and the retention of the remainder of 44QJ in Category B; Item No. 3 sought approval of the recommendation of the Public Works Subcommittee made at its meeting held on 18 May 2016, i.e. the recommendation in PWSC(2016-17)10, about the upgrading of 41QJ – Youth Hostel Scheme – Construction by The Hong Kong Federation of Youth Groups ("HKFYG") to Category A at an estimated cost of \$150.9 million in money-of-the-day prices. The Chairman said that some members requested separate voting for the above two recommendations at the Committee meeting.

33. The Chairman declared that he was a remunerated consultant of the Munich Reinsurance Company.

Governing the land uses under Youth Hostel Scheme

34. Mr CHAN Chi-chuen referred to the conditions of operating youth hostel which included "If a youth hostel is not operated in accordance to the Grant and Operation Agreement, the Government has the right to require the relevant non-governmental organization ("NGO") to return the construction costs of the youth hostel". In this connection, Mr CHAN asked should an NGO operating a youth hostel ("service operator") return the construction costs to the Government, whether it could change the use or operation mode of the youth hostel, such as demolishing the youth hostel for other developments or renting out the youth hostel units at market value. On the other hand, if a service operator ceased operation of its youth hostel, but was unable to return the construction costs, How the Administration would deal with the case. Mr LEUNG Kwok-hung raised similar concerns and requested the Administration to provide the land leases signed between the Home Affairs Bureau and service operators for reference of the members, in order to confirm that the provisions mentioned by Deputy Secretary had been included in the lease.

35. Deputy Secretary for Home Affairs (1) ("DSHA1") replied that the Administration would sign a Grant and Operation Agreement ("GOA") with each service operator individually. The service operators should operate the youth hostels in accordance with the provisions specified in the GOAs. In addition, the Administration would sign a land lease with service operator governing the land use of youth hostel. While service operator held the land for developing youth hostel, the use of the land was governed by the land lease which would normally include such provisions as those which specified land uses and forbade transfer. As far as the change of land use was concerned, the service operator was required to obtain policy support from the Home Affairs Bureau first before applying for amending the land lease, and the new land use would still need to conform with the designated land use of the land in town planning.

Disposal of surplus from hostel operation

36. Ms Cyd HO noted that the Administration stipulated that the service operator was required to establish a "mandatory reserve" at a level sufficient to cover the cost of maintenance for the hostel during the lease term. She added that the estimated annual rental income for the youth hostel operated by HKFYG was \$2.04 million, whilst the estimated expenditure on maintenance was \$1.8 million, she enquired how the balance of \$240,000 would be used and whether it would entirely be used on the youth hostel.

37. DSHA1 replied that the estimates for HKFYG's youth hostel were based on current projections, and the operating surplus of \$240,000 would be first transferred to the maintenance fund. The operating surplus arising from the "mandatory reserve" meant that the reserve was at a level sufficient to cover the cost of maintenance for the hostel during the lease term. The Works group of departments of the Government would advise on the levels of mandatory reserve for individual projects. HKFYG had committed that any balance would be entirely used on the youth hostel concerned.

38. Mr WU Chi-wai enquired whether Po Leung Kuk ("PLK") would make a similar commitment as that made by HKFYG that it would use the entire surplus ("operating surplus"), after deducting the operating expenditures and the mandatory reserve, on the youth hostel, such as assisting the young tenants in building interpersonal networks in the youth hostel, so as to help them start up after they had moved out from the youth hostel.

39. Principal Social Services Secretary (Family, Child Care, Children and Youth), Po Leung Kuk replied that the funding proposal involved pre-construction works for the youth hostel project, while estimates for various aspects of the project such as the overall project design, maintenance reserve, surplus management, etc, were yet to be prepared at this stage. Nevertheless, PLK would need to seek approval of the Government if it wanted to use the surplus. She added that, on one hand, PLK would use the operating surplus to provide support services for the young tenants living in the hostel, such as providing career planning, financial advisory services, on the other hand, it also hoped that young people not living in the hostel could also benefit from the operating surplus.

40. Mr Albert CHAN criticized that the financial arrangement of the Youth Hostel Scheme was far from satisfactory. He opined that it was unreasonable for the Administration to put in a lot of public funds to cover the construction costs while the service operators only needed to provide the land. He was worried that the Scheme might degenerate into a real estate project.

41. DSHA1 explained that the Youth Hostel Scheme aimed at attracting NGOs already holding land to join the Scheme. Moreover, the Administration would sign a GOA with the service operator for 40 years, which would provide that the rents of the youth hostel charged by the service operator would not exceed 60% of market value.

42. The meeting was adjourned at 4:58 pm.

Legislative Council Secretariat

15 September 2016