

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 78th meeting
held at Conference Room 1 of the Legislative Council Complex
on Tuesday, 28 June 2016, at 8:45 am

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 Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
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
Hon CHAN Hak-kan, JP
Hon IP Kwok-him, 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 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 KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, SBS, JP
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
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, 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 Abraham SHEK Lai-him, GBS, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Jeffrey LAM Kin-fung, GBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Dr Hon LEUNG Ka-lau
Hon CHEUNG Kwok-che
Hon WONG Kwok-kin, SBS
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon WONG Yuk-man
Hon Frankie YICK Chi-ming, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon KWOK Ka-ki

Dr Hon Fernando CHEUNG Chiu-hung
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
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)
Mr Kevin YEUNG Yun-hung, JP	Acting Secretary for Education
Dr Catherine CHAN Ka-ki	Deputy Secretary for Education
Ms CHING Suk-yee	Principal Education Officer (Curriculum Development), Education Bureau
Prof NG Tai-kai	Executive Director, Hong Kong Academy for Gifted Education
Mr HON Chi-keung, JP	Permanent Secretary for Development (Works)
Mr John KWONG Ka-sing	Government Engineer, Development Bureau
Mr John LEE, PDSM, PMSM, JP	Under Secretary for Security
Mr Billy WOO	Principal Assistant Secretary for Security(D)
Mr CHOI Yue-ning, IMSM	Assistant Director of Immigration (Control)
Mr LOK Wai-man	Assistant Director of Immigration (Information Systems)
Miss Caroline FAN Mei-hing	Chief Systems Manager (Technology Services), Immigration Department

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
Miss Yannes HO	Legislative Assistant (1)6

Action

The Chairman advised that four Finance Committee ("FC") meetings had been scheduled for the day.

Meeting arrangements for the FC

2. Mr Albert CHAN opined that it was really too much to schedule four FC meetings on the same day and expressed his strong dissatisfaction with the meeting arrangements. He queried that the Chairman, as a remunerated consultant to the Munich Reinsurance Company, had direct or indirect pecuniary interest in the items under discussion at this FC meeting. The Chairman said that Mr Albert CHAN's allegation was groundless. He also explained that he had arranged four meetings because there were a total of 16 funding proposals requiring FC's scrutiny on today's agenda.

Item No. 1 – FCR(2016-17)57

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 11 JUNE 2016**

PWSC(2016-17)22

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Transport – Ferry piers

50TF – Signature Project Scheme (Sai Kung District) – Reconstruction of the Sharp Island Pier

Recreation, Culture and Amenities – Mixed amenity packages

67RG – Signature Project Scheme (Sai Kung District) – Construction of the Tseung Kwan O Heritage Hiking Trail and the Heritage Information Centre

PWSC(2016-17)25

HEAD 703 – BUILDINGS

Education – Others

109ET – A school for social development for boys in Area 2B, Tuen Mun

PWSC(2016-17)26

HEAD 703 – BUILDINGS

Education – Primary

353EP – A 30-classroom primary school at Site KT2b, Development at Anderson Road, Kwun Tong

PWSC(2016-17)27

HEAD 703 – BUILDINGS

Education – Secondary

271ES – A 30-classroom secondary school at Site 1A-2, Kai Tak development

PWSC(2016-17)21

HEAD 703 – BUILDINGS

Civil Engineering – Land Development

775CL – The demolition of existing structures on Sites A and B1 of the Sung Wong Toi Vehicle Repair and Maintenance Workshop

PWSC(2016-17)20

HEAD 711 – HOUSING

Civil Engineering – Land Development

722CL – Demolition and ground decontamination works for development at North West Kowloon Reclamation Site 1, Sham Shui Po

PWSC(2016-17)29

HEAD 709 – WATERWORKS

Water Supplies – Fresh water supplies

350WF – Improvement of water supply to Sheung Shui and Fanling

Water Supplies – Salt water supplies

53WS – Upgrading of Chai Wan salt water supply system

Water Supplies – Combined fresh/salt water supplies

196WC – Implementation of Water Intelligent Network

PWSC(2016-17)28

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Civil Engineering – Land Development

332CL – West Kowloon Reclamation – main works (remainder)

3. The Chairman said that the item sought the Committee's approval for the recommendations of the Public Works Subcommittee made at its meeting on 11 June 2016 as stated in papers PWSC(2016-17)22, 25, 26, 27, 21, 20, 29

and 28. No member requested that the proposal be voted on separately at the FC meeting.

4. The Chairman declared his interest as a remunerated consultant to the Munich Reinsurance Company.

5. There being no questions from members on the item, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 2 – FCR(2016-17)48

HEAD 156 – GOVERNMENT SECRETARIAT: EDUCATION BUREAU

Subhead 700 – General non-recurrent

New Item – "Gifted Education Fund"

6. The Chairman said that the item sought the Committee's approval for the creation of a new commitment of \$800 million for the establishment of the Gifted Education Fund.

7. The Chairman reminded members that questions asked in the FC meeting must relate directly to the contents of the agenda item. Questions related to wider policy matters should be raised in the Legislative Council or the appropriate Panel. Members should also refrain from repeating arguments previously put forward by themselves or other members.

Declaration of interest

8. Ms Emily LAU declared her interest as an unremunerated director of the Hong Kong Academy for Gifted Education ("HKAGE"). Mr MA Fung-kwok declared his interest as the chairman of the Gifted Education Foundation, which was a private foundation dedicated chiefly to providing funding for gifted children from low-income families to receive gifted education.

Number of gifted students who had received support and the effectiveness of gifted education

9. Mr WONG Kwok-hing expressed support for the funding proposal. He requested the Administration to provide information on the number of gifted students who had been provided with support in the past few years and the effectiveness of gifted education. He also enquired whether HKAGE had conducted tracking surveys on the performance of gifted students. If not, he

urged the academy to do such surveys to get a better understanding of their performance in the long run.

10. The Executive Director of HKAGE responded that from its first year of operation in 2008 to the school year 2015/2016, HKAGE had provided programmes for 15 000 students. According to questionnaire surveys conducted by the academy, about 80% of its students in school years 2012/2013, 2013/2014 and 2014/2015 were able to enter local or overseas universities. About 30% of these students were honored on dean's lists. Moreover, studies showed that the students who had enrolled in the programmes offered by HKAGE performed better than those who had not. The academy did not conduct tracking surveys to keep track of the performance of gifted students at present. But it planned to do such surveys in the future.

Selection criteria for gifted students

11. Ms Emily LAU asked how HKAGE would team up with the Hong Kong Education University and other educational organizations to educate parents and teachers about how to identify gifted students. She also enquired about HKAGE's selection criteria for gifted students.

12. The Executive Director explained that according to the principles of multiple intelligence, children who demonstrated exceptional achievement or potential in one of the specific areas were considered to be gifted. School or parents could nominate gifted children to HKAGE by providing information that could prove that they were gifted. After passing a screening test, the nominees shortlisted would become HKAGE's preliminary student members who were eligible to participate in designated programmes. They would obtain full membership after meeting the related programme completion requirements. The Hong Kong Education University and other educational organizations currently offered training to help teachers to identify gifted students.

13. Ms Emily LAU opined that like teaching students with learning disabilities, teaching gifted students also fell within the scope of special education. She urged the Administration to step up publicity efforts to enable members of the public to better understand the fact that gifted education aimed at meeting the special educational needs of gifted students, instead of giving extra advantages to them. Mr CHAN Chi-chuen enquired whether HKAGE had formulated budget and publicity plan for introducing the general public to gifted education.

14. Acting Secretary for Education ("Acting SED") agreed with the view of Ms LAU and pointed out that gifted students required special attention and care. Therefore, gifted education was one of the areas of special education. The Executive Director added that HKAGE had set aside a small amount of fund for the promotion of gifted education.

15. Mr WONG Kwok-hing worried that HKAGE's selection mechanism for gifted students would encourage schools and parents to drill their students and create a sense of setback among those who were not assessed as gifted students.

16. Acting SED said that the selection mechanism of HKAGE aimed at providing gifted students with learning opportunities and enabling them to fulfil their true potential. Therefore, the Education Bureau would work in partnership with HKAGE to provide training for teachers to facilitate their identification of gifted students, instead of boosting students' performance by drilling them. The Executive Director added that the programmes offered by HKAGE were unrelated to the syllabuses of open examinations in Hong Kong. Therefore, there was no incentive for schools and parents to drill their students or children to become students of HKAGE.

17. Mr Albert CHAN worried that gifted education would benefit students from prestigious schools only and might create a negative labelling effect on students from other schools. He was also concerned about possible partiality in the use of the proposed Gifted Education Fund and the screening of students by HKAGE. He suggested that HKAGE make public the details of its selection criteria for gifted students to enhance transparency. He was of the view that the Administration should consider renaming the fund as Multi-intelligence Fund so that the general public would not have unreasonable expectations about the beneficiaries of the fund.

18. Acting SED said that the gifted education provision operated within a three-tier framework, in which schools provided school-based gifted education programmes at Level 1 (in classrooms) and Level 2 (within schools), while HKAGE provided learning opportunities at Level 3 (outside the school setting). Moreover, HKAGE would select students impartially with objective criteria. Students of HKAGE were recruited from schools in different districts of Hong Kong, instead of schools in certain districts or a handful of schools. The Executive Director added that currently, the majority of students of HKAGE were nominated to the academy by their schools and there was a limit on the number of nominations that each school could make. In each of the past several years, about half of the schools in Hong Kong nominated students to

HKAGE. The Executive Director agreed with Mr CHAN's suggestion and would instruct HKAGE to make public the details of its selection criteria for gifted students.

Measures for supporting gifted students

19. Mr CHAN Chi-chuen was concerned about how the Administration and schools would help gifted students with special affective needs or other special needs, and address the special needs of those gifted students who failed to be admitted to HKAGE.

20. Acting SED said that under current arrangements, schools would provide gifted students with school-based gifted education programmes and training in management of emotion, while HKAGE would be responsible for providing off-site enrichment programmes, which included affective education that catered for the needs of gifted students.

21. Mr MA Fung-kwok said that HKAGE mainly offered programmes to top performers in the academic field. He asked how HKAGE would help gifted students who performed well in other fields. In view of the fact that parents of gifted students often held over-high expectations of their children and some of the gifted students had poor social skills, he was concerned about the measures taken by HKAGE to support parents of gifted students, so that these students could grow up normally.

22. The Executive Director said that the Academy offered a wide variety of programmes for gifted students and planned to offer more diversified programmes under its "ten-year development plan". However, HKAGE needed to ensure that its programmes would not overlap with those offered by other educational organizations, such as the Hong Kong Sports Institute and the Hong Kong Academy for Performing Arts. The Executive Director also said that an important part of the overall work of HKAGE was to help parents of gifted students to understand the fact that the behaviours of gifted students might be different from those of their regular peers. For example, HKAGE would organize workshops for parents to share their experiences.

23. There being no questions from members on the item, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

Item No. 3 – FCR(2016-17)49

**RECOMMENDATION OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 31 MAY 2016**

EC(2016-17)4

**HEAD 159 – GOVERNMENT SECRETARIAT : DEVELOPMENT
BUREAU (WORKS BRANCH)**

Subhead 000 – Operational expenses

24. The Chairman said that this item sought members' approval of the recommendation of the Establishment Subcommittee made at its meeting held on 31 May 2016 as stated in EC(2016-17)4. Members of the Establishment Subcommittee had requested that the item be considered and voted on separately at FC meetings.

Motion to adjourn further proceedings of the Committee

25. At 9:21 am, Mr Albert CHAN proposed to move a motion under paragraph 39 of the FC Procedure that further proceedings of the Committee be adjourned. The Chairman thereupon proposed the question that the meeting be now adjourned. He also directed that a member, when speaking on the question, might speak once for not more than three minutes.

26. Mr Albert CHAN spoke on his motion. He expressed his dissatisfaction at the way the Chairman chaired the meeting, in which the Chairman chose to refute whenever he wanted the allegations made by members about his pecuniary interest in the funding proposals to be discussed at FC meetings, while prohibiting members from expounding on their allegations. So he moved the motion in order to have sufficient time to put across his points. The Chairman reiterated that the allegations made by Mr Albert CHAN against him were unfounded.

27. Mr CHAN Chi-chuen was of the opinion that Mr Albert CHAN moved the motion for the purpose of having sufficient time to put across his position and it was not his intention to adjourn the meeting of the day. The Deputy Chairman spoke against the motion and said that Mr Albert CHAN should not have levelled groundless criticism at the Chairman.

28. Mr Albert CHAN made concluding remarks. The Chairman thereupon put the motion to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that no member voted in favour of, and 17 members voted against the motion. The votes of individual members were as follows –

Against:

Mr CHAN Kam-lam
Mr WONG Kwok-hing
Ms Starry LEE Wai-king
Mr Albert CHAN Wai-yip
Mr Steven HO Chun-yin
Mr YIU Si-wing
Mr LEUNG Che-cheung
Mr Martin LIAO Cheung-kong
Mr Tony TSE Wai-chuen
(17 members)

Mr TAM Yiu-chung
Mr Andrew LEUNG Kwan-yuen
Mr Alan LEONG Kah-kit
Mr NG Leung-sing
Mr WU Chi-wai
Mr CHAN Chi-chuen
Mr SIN Chung-kai
Mr POON Siu-ping

29. The Chairman declared that the motion proposed by Mr Albert CHAN was negated.

30. The Committee resumed its deliberations on agenda item FCR(2016-17)49.

Rationale for the proposed establishment of the Project Cost Management Office

31. Mr Gary FAN noted that the proposed Project Cost Management Office ("PCMO") would adopt a three-pronged approach to strengthen cost control for public works projects, namely, comprehensive review of existing policies and requirements on public works, close scrutiny of cost estimates of projects, and enhancement of project management of public works projects. He opined that the Administration could achieve the three above-mentioned objectives with the existing manpower and organizational structure without having to set up the proposed office. Mr CHAN Chi-chuen asked how the Administration could reduce the costs of public works projects by comprehensively reviewing existing works policies and requirements.

32. The Permanent Secretary for Development (Works) ("PS(D)(Works)") replied that in the past several years, the percentage increase in the costs of construction projects had significantly exceeded that of the Consumer Price Index during the same period. In order to strengthen cost control of public works projects, the Financial Secretary had already set up a task force to examine the causes for the rising costs of works projects and formulate improvement measures. He announced in his 2016-17 Budget Speech that a dedicated multi-disciplinary office would be established in the Development Bureau to strengthen cost management of public works. The Administration believed that only after the establishment of the PCMO, would there be enough manpower to realize the three above-mentioned objectives. Take the review of existing policies and requirements on public works for example, the Administration had to communicate with stakeholders within the Government and from the construction sector to examine the relevant policies and regulations, determining whether they were outdated and became a cause of the soaring construction costs. And this would involve a lot of work.

33. Mr Albert CHAN said that the Administration already had an established mechanism to ensure that public works projects were implemented in a cost-effective manner. Therefore, he questioned the need for the establishment of the proposed PCMO. Mr CHAN argued that one of the causes of cost overruns in public works projects was the lack of experience on the part of some government officials and the Administration should use the money earmarked for the establishment of the proposed PCMO to hire authoritative external consultants to examine the costs of public works projects.

34. PS(D)(Works) replied that in addition to ensuring that public works projects were implemented in a cost-effective manner, the Administration planned to tackle the problem at source by reviewing over 300 works projects that were at the planning and design stages through the proposed PCMO. PCMO would adopt a "no frills" principle with regard to design requirements, streamline procedures and simplify requirements with the aim of keeping down the costs of public works projects. PS(D)(Works) added that the Administration had hired consultants to examine the cost of public works projects in the past. However, the Administration had to establish the proposed PCMO to implement various measures for cost control. Compared with the amount of money that could be saved from construction costs after the completion of the review of the above-mentioned public works projects by the proposed PCMO, an additional expenditure of around \$10 million per annum incurred by its establishment would deliver value for money.

Measures for controlling construction costs

35. Mr CHAN Chi-chuen asked whether the proposed PCMO would examine the above-mentioned some 300 public works projects one by one. PS(D)(Works) replied that PCMO would work in collaboration with other works departments to examine the above-mentioned works projects in batches according to their urgency and formulate practicable alternative proposals with a view to optimizing their designs and reducing costs. The Administration expected the examinations to be completed in three years.

36. Mr WU Chi-wai enquired about the amount of money that could be saved by adopting a "no frills" principle in project designs. He also wanted to know how much manpower could be saved for the construction industry by optimizing the design requirements for works projects or encouraging the contractors to adopt mechanised construction methods.

37. PS(D)(Works) replied that with the total cost estimates of about \$350 billion for projects currently at the planning stage, the Administration estimated that after the proposed PCMO completed the optimization of the designs of these projects, it would reduce the project estimates by 1-3%, which amounted to several to ten billions of dollars. Moreover, the Administration had been encouraging contractors to adopt mechanised construction methods to save manpower. For instance, a prefabrication yard for making steel reinforcing bars had commenced operation and increased the productivity in the cutting and bending works of reinforcing bars.

38. Mr CHAN Chi-chuen enquired whether the Administration was currently designing works projects according to the "no frills" principle. If yes, why the Administration would include the formulation of the relevant design requirements in the scope of work of the proposed PCMO; if not, whether the Administration had any examples of projects featuring fancy designs? He was concerned about whether the requirement of adopting the "no frills" principle would smother creativity in project designs.

39. PS(D)(Works) responded that such a requirement would not smother creativity or affect the functionality of the project. For example, the Trade and Industry Tower in the Kai Tak Development Area and the Columbarium at Wo Hop Shek, Fanling, were designed and built according to the "no frills" principle. These building had a good mixture of both aesthetics and functionality and were built at reasonable costs. PS(D)(Works) said that he did not have examples of public works projects that featured fancy designs. The Administration would minimize the use of unnecessary curved architecture

designs in the future, and place greater importance on the designs that would enhance natural light and air ventilation, so as to reduce construction costs and long-term maintenance expenses.

Projects with cost overruns

40. Mr CHAN Chi-chuen opined that compared to the cost overruns of a few dozen percentage points commonly seen in public works projects, 1-3% of project estimates that could be saved by the proposed PCMO was really too little. He asked whether the proposed PCMO would tackle the problem of cost overruns in works projects.

41. PS(D)(Works) explained that the proposed PCMO would examine the works projects which were still at planning and design stages only. As for the projects that were already under way, their implementation would be monitored by relevant government departments. However, the Administration believed that the proposed PCMO would enhance the accuracies of project cost estimates and improve project cost management, thus reducing the possibility of cost overruns.

Procurement method for public works projects

42. Mr Albert CHAN worried that the adoption of the "no frills" principle would lead to the recurrence of monotonous designs for government buildings. Mr CHAN suggested that the Administration change the current practice of engaging its in-house staff to undertake the designs for works projects before awarding the construction contracts to contractors. In the future it should increase the use of the "design and build" ("D&B") procurement method for implementing works projects, under which tender winners would be responsible for both the designs and construction of the works projects. Mr WU Chi-wai expressed similar concern. He opined that ordinary government buildings could adopt standardized designs while the participation of members from the construction sector could be invited for the designs of iconic government buildings through the organization of design competitions.

43. PS(D)(Works) said that the Administration had been adopting the D&B procurement method for its construction projects. At present, only a small number of projects were designed by its in-house staff. The rest were designed by external consultants. He promised that the Administration would take Mr Albert CHAN's suggestion into consideration and allow bidding contractors to take part in works projects as early as possible. But he had reservations about Mr CHAN's suggestion of adopting the D&B procurement method for all government projects.

Benchmarks for cost control

44. Noting that the Administration planned to set cost benchmarks based on the "fit for purpose" principle for public works projects, Mr CHAN Chi-chuen enquired about the details in this respect.

45. PS(D)(Works) said that the Administration planned to put in place an indicative cost system for certain new government building projects, such as schools, office buildings and government staff quarters. Cost benchmarks would be developed by making reference to the costs of similar projects in the past. The Administration would require relevant works departments to make reference to the indicative costs during the design stage and ensure that the unit costs of all building projects would not exceed the relevant benchmarks. If the unit cost of a proposed building project exceeded the relevant benchmark, the project proponent would be required to provide justifications for the difference before the Administration would approve the initiation of the project.

Construction expenditure of public sector

46. Mr WU Chi-wai said that one of the causes of the rising construction costs was the introduction by the Administration of a number of policies related to construction works, such as the Mandatory Building Inspection Scheme, and the implementation of a large number of public works projects in recent years. He asked whether PCMO would adjust the construction expenditure of public sector after assessing the delivery capacity of the construction industry against the overall construction expenditure in Hong Kong, in order to ensure that these projects would be launched in an organized manner.

47. PS(D)(Works) replied that the Administration had joined forces with the Construction Industry Council ("CIC") to keep track of and predict the construction expenditure of both the public and private sectors in Hong Kong. According to statistical information, in recent years, the overall construction expenditure of Hong Kong was over \$200 billion per year and was estimated to remain at that level in the coming years. PS(D)(Works) said that the contribution of the construction industry stood at about 4% of Hong Kong's GDP, which was the lowest among the developed economies in the region. The proposed PCMO would work in collaboration with relevant government departments to determine the priority of works projects by assessing their construction costs, viability, urgency, and the delivery capacity of the construction industry. Moreover, CIC would make every efforts to solve the problem of labour shortage faced by the construction industry in Hong Kong. For example, from 2009 to 2015, CIC had trained about 18 000 construction workers.

Impact of the establishment of the proposed PCMO on the progress of works projects

48. Mr Albert CHAN was concerned about possible project delays caused by differing views of the proposed PCMO and proponent departments on project designs in the future, as well as the mechanism in place for preventing project delays.

49. PS(D)(Works) promised members that PCMO would collaborate with proponent departments in the implementation of public works projects, which would not delay project progress.

Manpower arrangements of the proposed office

50. Mr Tony TSE Wai-chuen expressed support for the establishment of the proposed PCMO. However, he disagreed with the Administration's suggestion of filling the managerial positions of the office with professionals from the Engineer grade. Given the fact that the work of the proposed PCMO involved multi-disciplinary areas, he opined that the Administration should appoint the most suitable people to its management in accordance with the meritocratic principles, instead of limiting its choices to a pool of professionals from the Engineer grade. Therefore, Mr TSE had reservations about the funding proposal.

51. PS(D)(Works) explained that the proposed office was a multi-disciplinary office comprising staff from such professional grades as Engineer, Architect and Quantity Surveyor. In view of the fact that cost control (such as system re-engineering and multi-disciplinary design optimization) and project management fell into the scope of work of engineers, the Administration opined that the managerial positions of the office should be filled by professional staff of the Engineer grade.

52. There being no questions from members on the item, the Chairman put the item to vote. At the request of members, the Chairman ordered a division and the division bell was rung for five minutes. The Chairman announced that 27 members voted in favour of and seven members voted against the item. One member abstained from voting. The votes of individual members were as follows –

For:

Mr Albert HO Chun-yan	Mr James TO Kun-sun
Mr CHAN Kam-lam	Ms Emily LAU Wai-hing
Mr TAM Yiu-chung	Mr Frederick FUNG Kin-kee
Mr Andrew LEUNG Kwan-yuen	Mr WONG Ting-kwong
Ms Starry LEE Wai-king	Mr CHAN Hak-kan
Mr James TIEN Pei-chun	Mr NG Leung-sing
Mr Steven HO Chun-yin	Mr WU Chi-wai
Mr YIU Si-wing	Mr Charles Peter MOK
Mr CHAN Han-pan	Miss CHAN Yuen-han
Mr LEUNG Che-cheung	Mr Christopher CHEUNG Wah-fung
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 Christopher CHUNG Shu-kun	
(27 members)	

Against:

Ms Cyd HO Sau-lan	Mr Alan LEONG Kah-kit
Mr LEUNG Kwok-hung	Mr Albert CHAN Wai-yip
Ms Claudia MO	Mr Gary FAN Kwok-wai
Mr CHAN Chi-chuen	
(7 members)	

Abstained:

Mr Tony TSE Wai-chuen
(1 member)

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

Item No. 4 – FCR(2016-17)50
CAPITAL WORKS RESERVE FUND
HEAD 710 – COMPUTERISATION
Immigration Department
New Subhead "Computer Systems at Control Points"

54. The Chairman said that this item sought members' approval of a new commitment of \$168,548,000 for installing computer systems at the control point under the Immigration Department at the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Hong Kong Boundary Crossing Facilities ("HKBCF").

55. Mr WU Chi-wai enquired whether Hong Kong residents could use the soon-to-be-issued next generation smart identity cards for immigration clearance at e-Channels at HKBCF. He also sought details on the technologies used in the new identity cards and asked whether it would take longer time for the residents to use these identity cards for immigration clearance.

56. The Under Secretary for Security said that residents could use the next generation smart identity cards for immigration clearance at e-Channels at all control points, including HKBCF. The Assistant Director of Immigration (Information Systems) added that the Immigration Department had begun to upgrade the e-Channels and computer systems at all control points from early 2016. The upgrade works were expected to be completed in July 2016, which would dovetail with the start of the territory-wide identity card replacement exercise in 2018. By that time, the residents holding the new generation smart identity cards would be able to continue to use e-Channels for immigration clearance. In the new system, each e-Channel would be equipped with a contact and a contactless reader for retrieval of data from the chip of a smart identity card. The retrieval of data from the chip of a new generation smart identity card would have to go through the two-factor authentication security process. According to the findings of the feasibility study by the consultant, the clearance time with the new generation smart identity cards was estimated to be four seconds faster than the current ones.

57. The Chairman declared that the meeting be adjourned at 10:47 am.

58. The meeting was adjourned at 10:47 am.