

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 81st meeting
held at Conference Room 1 of the Legislative Council Complex
on Tuesday, 28 June 2016, at 4:41 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 TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, GBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
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 Frankie YICK Chi-ming, JP
Hon WU Chi-wai, MH
Hon YIU Si-wing, BBS
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 Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon Dennis KWOK
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members absent:

Hon James TO Kun-sun
Hon LEUNG Yiu-chung
Dr Hon LAU Wong-fat, GBM, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, BBS, MH
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN
Hon Cyd HO Sau-lan, JP
Hon Starry LEE Wai-king, JP
Hon CHAN Hak-kan, 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 Alan LEONG Kah-kit, SC
Hon WONG Yuk-man
Hon NG Leung-sing, SBS, JP
Hon Steven HO Chun-yin, BBS
Hon Gary FAN Kwok-wai
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
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
Dr Hon CHIANG Lai-wan, JP
Hon Tony TSE Wai-chuen, BBS
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)
Prof Sophia CHAN, JP	Under Secretary for Food and Health
Miss Diane WONG	Principal Assistant Secretary for Food and Health (Food) 2
Mr CHIU Yu-chow	Assistant Director of Food and Environmental Hygiene (Grade Management and Development)
Mr Stephen TANG Man-bun, JP	Acting Director of Architectural Services
Mrs Alice YU NG Ka-chun	Project Director (3), Architectural Services Department
Mr Gabriel WOO Tai-on	Chief Engineer (Land Works), Civil Engineering and Development Department
Mr LAI Cheuk-ho	Principal Assistant Secretary for Development (Works) 5
Mr CHUNG Kum-wah, JP	Director of Civil Engineering and Development
Mr LAM Chi-keung	Chief Engineer (Hong Kong) 2, Civil Engineering and Development Department
Mr SIU Kang-chuen	Chief Traffic Engineer (New Territories East), Transport Department
Mr Nicholas YANG, JP	Secretary for Innovation and Technology
Mr CHEUK Wing-hing, JP	Permanent Secretary for Innovation and Technology

Mrs Millie NG	Deputy Secretary for Innovation and Technology
Mr Ricky CHONG	Principal Assistant Secretary for Innovation and Technology
Ms Kitty CHOI, JP	Director of Administration
Mrs DO PANG Wai-ye, JP	Deputy Director of Administration
Mr Clement CHEUNG, JP	Secretary for the Civil Service
Mr Thomas CHOW, JP	Permanent Secretary for the Civil Service
Ms May CHAN, JP	Deputy Secretary for the Civil Service (2)
Mr Paul CHEUNG	Principal Assistant Secretary for the Civil Service (Pay and Leave)

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 Raymond SZETO	Council Secretary (1)6
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5

Action

Item No. 7 – FCR(2016-17)52

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 1 JUNE 2016**

PWSC(2016-17)24

HEAD 703 – BUILDINGS

Environmental Hygiene – Burial grounds, columbaria and crematoria

22NB – Provision of Columbarium at Wo Hop Shek Cemetery – Phase 1

The Chairman said that the Finance Committee ("FC") would continue with the deliberation on FCR(2016-17)52.

2. As members raised no further question, the Chairman put FCR(2016-17)52 to vote. The Chairman considered that a majority of the members voting were in favour of the item and declared that the Committee approved the item.

Item No. 8 – FCR(2016-17)55

**RECOMMENDATION OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 1 JUNE 2016**

PWSC(2016-17)12

HEAD 707 – NEW TOWNS AND URBAN AREA DEVELOPMENT

Recreation, Culture and Amenities – Open spaces

414RO – Improvement works at Mui Wo

3. The Chairman said that this item sought approval from FC of the recommendation of the Public Works Subcommittee made on 1 June 2016 –

(a) the upgrading of part of 414RO as 464RO, entitled "Improvement works at Mui Wo, phase 2 stage 1", to Category A at an estimated cost of \$72.3 million in money-of-the-day prices; and

(b) the retention of the remainder of 414RO in Category B.

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

Number of parking spaces

5. Mr Albert CHAN considered that the project cost of more than \$70 million for the extension of an existing carpark at Mui Wo was too high. He also reminded that only 100 parking spaces would be increased while a school site had to be resumed for the construction of a carriageway, which was not satisfactory. He enquired whether the number of parking spaces could be increased under the proposed agenda item by, for example, installing double-deck parking racks.

6. Director of Civil Engineering and Development replied that about \$20 million of the project cost would be used for the construction of the carpark, while other expenses included basic improvement works, such as slope remedial works adjacent to the proposed carpark. In addition, the purpose of resuming a small part of the school site was to construct a carriageway connecting the carpark, so as to reduce the numbers of vehicles using the busier waterfront roads to enter the carpark. He added that if double-deck parking racks were installed, additional manpower would be required for on-site management, so the suggestion was not feasible.

7. Mr TANG Ka-piu and Mr LEUNG Kwok-hung considered it contradictory for the Administration to increase parking spaces to meet existing demand while implementing the "Driving on Lantau Island" scheme at the same time. They enquired how the Administration had estimated the demand for parking spaces at Mui Wo as the basis for deciding to provide additional parking spaces, and whether additional parking spaces were provided to cope with extra traffic flow brought about by the "Driving on Lantau Island" scheme.

8. Chief Traffic Engineer (New Territories East), Transport Department ("TD") replied that in coming up with the 350 parking spaces needed around Mui Wo, the Administration had counted on site the number of vehicles parked in the area, including vehicles parked at public parking spaces and illegally parked vehicles. Apart from the proposed carpark, the Administration also considered granting government sites in the area to operators under short-term tenancy agreements for use as fee-paying carparks and believed that this could meet the existing demand in the area. Principal Assistant Secretary for Development (Works) 5 supplemented that the main purpose of providing additional parking spaces was to meet the needs of residents on Lantau Island, while the "Driving on Lantau Island" scheme allowed a maximum of 25 outside vehicles only to enter different areas on South Lantau Island from Mondays to Fridays (non-holidays) for leisure and recreational activities, which would not have a significant impact on the demand for parking spaces at Mui Wo.

9. Dr KWOK Ka-ki was concerned that as the new parking spaces were free, which would in turn attract more vehicles to park at Mui Wo. He enquired whether the Administration would consider converting those parking spaces into metered parking spaces.

10. Chief Traffic Engineer (New Territories East), TD advised that, to avoid too many vacant parking spaces which would encourage current public transport users to become car owners, the Administration had carefully planned the number of additional parking spaces and the current proposed number of additional parking spaces was in line with the demand at Mui Wo. He added that quite a number of Lantau residents who parked their vehicles at Mui Wo needed to transfer to ferry to go to urban areas. The provision of metered parking spaces with a maximum of two-hour charging period would not meet their needs. Nevertheless, the Administration would, from time to time, review the changes in demand and provide additional metered parking spaces in a timely manner and would reserve facilities in the proposed carpark to facilitate the installation of parking meters in the future.

Enforcement of traffic regulations

11. Mr CHAN Chi-chuen enquired how the Administration would deal with the vehicles abandoned on the roads at Mui Wo and combat the offence of driving a vehicle into closed roads on Lantau Island without a valid permit. Chief Traffic Engineer (New Territories East), TD advised that TD had informed the Police Force and the Lands Department respectively to take actions against abandoned cars, which included the issue of letters and/or notices to the car owners concerned. The cars concerned would be removed after the failure of the car owners to take the appropriate actions. He added that after the implementation of the "Driving on Lantau Island" scheme, the Police had stepped up enforcement actions against the vehicles entering the closed roads illegally.

12. At 5:16 pm, due to the absence of a quorum, the Chairman directed the Clerk to summon members to the meeting. At 5:17 am, a quorum was present.

13. As members raised no further question, the Chairman put FCR(2016-17)55 to vote. The Chairman considered that a majority of the members voting were in favour of the item and declared that the Committee approved the item.

Item No. 9 – FCR(2016-17)56

HEAD 135 – GOVERNMENT SECRETARIAT: INNOVATION AND TECHNOLOGY BUREAU

Subhead 700 – General non-recurrent

New Item – "Innovation and Technology Fund for Better Living"

14. The Chairman said that this item invited FC to approve the creation of a new commitment of \$500 million for the establishment of the Innovation and Technology Fund for Better Living ("FBL"). The Innovation and Technology Bureau ("ITB") had consulted the Panel on Information Technology and Broadcasting on the recommendation on 13 June 2016.

Scope of the projects funded by FBL

15. Mr TANG Ka-piu expressed support for the funding proposal and hoped that FBL would take the initiative to promote the research sector to develop software products to assist demented patients, such as those on falls prevention training or searching for missing elderly. Mr Charles Peter MOK pointed out that FBL would replace the "Digital Solidarity Fund" and the "Funding Scheme for Digital Inclusion Mobile Apps". The amounts of grants under these two schemes were relatively small and the application criteria were more suitable for the participation of small and medium enterprises ("SME") and social welfare organizations. He worried that with the replacement of these two schemes by FBL, it would be more difficult for SMEs or social welfare organizations to apply as the grant cap had increased to \$5 million. He requested the Administration to draw up measures to facilitate the application for FBL from smaller-scale projects.

16. Secretary for Innovation and Technology advised that the scope of funding under FBL covered such areas as health and community safety, the projects aimed at taking care of the safety of the elderly was one of the areas supported by FBL. \$5 million was just the grant cap for each project and a project with a cost of less than \$5 million could also apply for FBL. A social welfare organization might consider making an application together with other organization or research company.

Development of an information sharing platform

17. Both Mr LEUNG Kwok-hung and Mr Charles Peter MOK considered that the Administration should make more effort to develop an information sharing platform, such as setting up an information sharing platform in respect of prices, medical services and real-time traffic information, which should be opened to different research companies under a fair principle, to enable them to conduct research and development ("R&D") on applications that could make people's life more convenient. Sharing with the views of the members, Secretary for Innovation and Technology pointed out that generally speaking, the development of an information sharing platform was unprofitable and the Government sought to play a leading role by setting up FBL.

Legal issues

18. Mr WU Chi-wai said that some applications that could bring convenience to the public might contravene existing legislation. He enquired whether FBL would provide financial support for the development of such applications and how the relevant legal issues would be dealt with. Secretary for Innovation and Technology advised that one of the application criteria for FBL was that the project should be in line with Government's policies. In vetting and approving the applications, the Administration would support those projects that were not in conflict with the existing laws and would not give rise to social conflicts.

Assessment of deliverables of the projects

19. Mr CHAN Chi-chuen enquired how the Administration would assess deliverables of the projects funded by FBL, and whether it would request those projects with unsatisfactory results to refund the grant. Secretary for Innovation and Technology advised that the targets of some projects were minority groups, it was not appropriate to assess deliverables of such projects solely by their usage or popularity. Therefore, the overall benefits brought by a project would be assessed in vetting the applications. Permanent Secretary for Innovation and Technology added that unless fraud was involved, should a funded project have been implemented as planned, the applicant would not be required to refund the grant even if the project failed to achieve the anticipated result in the end.

Use of the grant

20. Mr CHAN Chi-chuen noted that it was stipulated under FBL that total funding received by a funded project should not exceed the total expenses for the development, implementation and running of the proposed project deliverable. He asked whether such expenses would exclude the cost of large-scale production of R&D outcomes. Secretary for Innovation and Technology advised that the development of a project funded by FBL should be completed within 12 months and run for at least two years after its roll-out, including the production and roll-out of R&D outcomes in the market. Permanent Secretary for Innovation and Technology supplemented that FBL targeted at R&D projects that could improve people's daily life in the short run, therefore the funding would cover the development and operation costs of the projects. If the R&D costs of a project were very high, it would be advisable for the applicant to apply for the Innovation and Technology Fund.

21. At 6:01 pm, due to the absence of a quorum, the Chairman directed the Clerk to summon members to the meeting. At 6:02 am, a quorum was present.

22. As members raised no further question, the Chairman put FCR(2016-17)56 to vote. The Chairman considered that a majority of the members voting were in favour of the item and declared that the Committee approved the item.

Item No. 10 – FCR(2016-17)58

HEAD 112 – LEGISLATIVE COUNCIL COMMISSION

Subhead 366 – Remuneration and reimbursements for Members of the Legislative Council

Subhead 872 – Non-recurrent expenses reimbursements for Members of the Legislative Council

23. The Chairman advised that this item invited FC to approve –

- (a) a supplementary provision of \$5,845,000 under Head 112 Subhead 366 to meet additional expenditure in 2016-17 for enhancing the remuneration package for Members of the Legislative Council ("LegCo") with effect from the Sixth LegCo due to begin in October 2016; and
- (b) creation of a capital account commitment of \$26,250,000 under Head 112 Subhead 872 for the Setting Up and Information Technology Expenses Reimbursement.

24. The Chairman said that in accordance with paragraph 41 of the Finance Committee Procedure, the usual rules regarding pecuniary interests did not apply when an item proposed changes to members' salaries and allowances as Members of the Council. In addition, the remuneration package for LegCo Members recommended in the paper would only come into effect from the Sixth LegCo due to begin in October 2016, therefore Members of the current term had no pecuniary interest in the funding proposal. There was no need for members to make declaration before speaking and they might also speak and vote on the item.

Salary level of Members' assistants

25. Mr LEUNG Kwok-hung and Mr LEE Cheuk-yan considered that LegCo Members were responsible for monitoring the Government's performance on behalf of members of the public, therefore the salary level of Members' assistants who assisted Members in their work should be pegged to that of the civil service. However, their salaries were rather low. The Administration should draw up a pay scale for Members' assistant post.

26. Director of Administration said that the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR ("Independent Commission") considered that the job nature, functions and entry requirements of Members' assistants were different from those of the civil service and their salary levels should not be pegged together. She supplemented that the Independent Commission, after listening to the views of the Members, opined that the salaries of Members' assistants were comparable to those of workers of similar qualifications and experience in the private sector and LegCo Members should also decide the pay structure of staff in their offices in the light of their own needs.

27. Mr CHAN Chi-chuen enquired whether there were posts similar to Members' assistants in the private market for comparison of remuneration packages. Director of Administration advised that according to the views of the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement, each LegCo Member would need seven assistants to assist in the Council's work. The Independent Commission opined that their salaries were comparable to those of management professionals, degree-holders with three to five year's working experience and clerical support staff respectively in the private market. Therefore, The Administration had used the relevant statistical data compiled by the Census & Statistics Department to calculate the appropriate level of the amount of office operation expenses reimbursement.

28. Indicating support for the funding proposal, Mr IP Kwok-him considered it inappropriate to peg the salary level of Members' assistants to that of the civil service. He also pointed out that in view of the frequent suspensions of LegCo meetings, the Independent Committee should consider introducing a penalty mechanism in determining the remuneration package for Members in the future, in order to punish those Members who were often absent from meetings.

29. As members raised no further question, the Chairman put FCR(2016-17)58 to vote. The Chairman considered that a majority of the members voting were in favour of the item and declared that the Committee approved the item.

Item No. 11 – FCR(2016-17)59
2016-17 CIVIL SERVICE PAY ADJUSTMENT

30. At 6:35 pm, the Chairman declared that the meeting be extended for 15 minutes.

31. The Chairman said that this item invited FC to approve –

- (a) with effect from 1 April 2016, the following adjustments to the civil service pay scales arising from the 2016-17 Civil Service Pay Adjustment –
 - (i) an increase of 4.19% in the dollar value of the pay points in the directorate and upper salary bands; and
 - (ii) an increase of 4.68% in the dollar value of the pay points in the middle and lower salary bands;
- (b) corresponding adjustments to the provisions for aided schools;
- (c) corresponding adjustments to the provisions for the Independent Commission Against Corruption; and
- (d) corresponding adjustments to the provisions for subvented bodies whose funding is price-adjusted on the basis of formulae including a factor of civil service pay adjustment.

The Panel on Public Service had discussed the item on 20 June 2016. At the invitation of the Chairman, Mr POON Siu-ping, Chairman of the Panel, briefed the Committee on the main points of the Panel's discussion. Mr POON said that members of the Panel indicated support for the 2016-17 Civil Service Pay Adjustment and noted that the staff sides also generally accepted the relevant pay adjustment rates. In addition, members urged the Administration to take appropriate measures as soon as possible, so that the staff side representatives of the Disciplined Services Consultative Council and three of the four constituent associations of the Police Force Council would rejoin the Pay Trend Survey Committee to participate in the annual PTS work.

32. Mr LEE Cheuk-yan and Mr LEUNG Kwok-hung said that the Government, as an employer, had often overlooked the salary level of non-civil service contract ("NCSC") staff and these staff would also not benefit from this pay rise. They enquired whether the Administration would consider institutionalizing the pay adjustment for NCSC staff.

33. Secretary for the Civil Service said that the Administration had all along been monitoring the pay adjustments of NCSC staff and compared them with those of the civil service. Take the government department employing the largest number of such staff for example, the rates of pay adjustment of these two types of staff were similar in the past three years, with some NCSC staff receiving even higher rates of pay adjustment than their civil servant counterparts. He did not agree with the view that the staff employed under NCSC terms had been subject to exploitation and pointed out that unlike the pay adjustment mechanism for the civil service, the mechanism for NCSC staff would more closely follow the situation in the private market.

34. As members raised no further question, the Chairman put FCR(2016-17)59 to vote. The Chairman considered that the majority of the members voting were in favour of the item and declared that the Committee approved the item.

35. At 6:50 pm, the Chairman declared that the meeting be adjourned.

36. The meeting was adjourned at 6:50 pm.

Legislative Council Secretariat
20 September 2016