

**立法會**  
***Legislative Council***

LC Paper No. ESC155/16-17

(These minutes have been  
seen by the Administration)

Ref : CB1/F/3/2

**Establishment Subcommittee of the Finance Committee**

**Minutes of the 17<sup>th</sup> meeting  
held in Conference Room 1 of Legislative Council Complex  
on Monday, 19 June 2017, at 9:00 am**

**Members present:**

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)

Hon Alvin YEUNG (Deputy Chairman)

Hon James TO Kun-sun

Hon WONG Ting-kwong, SBS, JP

Hon WONG Kwok-kin, SBS, JP

Hon Paul TSE Wai-chun, JP

Hon LEUNG Kwok-hung

Hon Steven HO Chun-yin, BBS

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 KWOK Wai-keung

Dr Hon Fernando CHEUNG Chiu-hung

Dr Hon Helena WONG Pik-wan

Hon IP Kin-yuen

Hon Martin LIAO Cheung-kong, SBS, JP

Hon POON Siu-ping, BBS, MH

Dr Hon CHIANG Lai-wan, JP

Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Hon CHU Hoi-dick

Hon LAM Cheuk-ting

Hon Holden CHOW Ho-ding

Hon SHIU Ka-fai

Hon SHIU Ka-chun  
Hon Wilson OR Chong-shing, MH  
Hon YUNG Hoi-yan  
Hon CHAN Chun-ying  
Hon LUK Chung-hung  
Hon LAU Kwok-fan, MH  
Hon KWONG Chun-yu  
Hon Jeremy TAM Man-ho  
Hon Nathan LAW Kwun-chung  
Dr Hon YIU Chung-yim

**Members absent:**

Hon Abraham SHEK Lai-him, GBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Dr Hon KWOK Ka-ki  
Hon CHUNG Kwok-pan  
Hon Jimmy NG Wing-ka, JP  
Hon HO Kai-ming  
Hon Tanya CHAN

[According to the Judgment of the Court of First Instance of the High Court on 14 July 2017, LEUNG Kwok-hung, Nathan LAW Kwun-chung, YIU Chung-yim and LAU Siu-lai have been disqualified from assuming the office of a member of the Legislative Council, and have vacated the same since 12 October 2016, and are not entitled to act as a member of the Legislative Council.]

**Public Officers attending:**

Ms Carol YUEN Siu-wai, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Eddie MAK Tak-wai, JP	Deputy Secretary for the Civil Service 1
Mr Vincent MAK	Deputy Secretary for Development (Works) 2
Mr Enoch LAM, JP	Director of Water Supplies
Mr CHAU Sai-wai	Assistant Director of Water Supplies (Development)
Mr WONG Man-ching	Assistant Director of Water Supplies (Mechanical and Electrical)
Mr Robert CHAN	Assistant Director of Civil Engineering and Development (Administration)

**Clerk in attendance:**

Ms Connie SZETO

Chief Council Secretary (1)4

**Staff in attendance:**

Miss Sharon LO

Senior Council Secretary (1)9

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Miss Yannes HO

Legislative Assistant (1)6

Ms Haley CHEUNG

Legislative Assistant (1)9

---

Action

The Chairman drew members' attention to the information paper ECI(2017-18)4, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the six items on the agenda. She then reminded members of the requirements in Rules 83A and 84 of the Rules of Procedure.

**EC(2017-18)3      Proposed regrading of four permanent posts of Assistant Director of Water Supplies (D2) to four Government Engineers (D2) in the Water Supplies Department with immediate effect upon approval by the Finance Committee to meet operational needs and to enhance staff planning**

2. The Chairman remarked that the Administration proposed regrading four permanent posts of Assistant Director of Water Supplies ("ADWS") (D2) to four Government Engineers ("GE") (D2) in the Water Supplies Department ("WSD") with immediate effect upon approval by the Finance Committee ("FC") to meet operational needs and to enhance staff planning.

3. The Chairman said that the Administration had consulted the Panel on Development of the Legislative Council ("LegCo") on the proposal on 28 February 2017. Members of the Panel did not object to the Government's submission of the proposal to the Establishment Subcommittee ("ESC") for consideration. Individual members opined that the regrading proposal, which would improve career development opportunities of the Engineer grade officers, should not affect the promotion prospects of the Mechanical Engineer ("ME"), Electrical

Action

Engineer ("EE") and Waterworks Chemist ("WC") grades in WSD. Some members noted that under the regrading proposal, the head of the Water Science Division (i.e. a Chief Chemist ("CC") of WSD) could only be promoted to the Assistant Director of the Mechanical and Electrical Branch ("AD/M&E") instead of the Assistant Director of the Development Branch ("AD/Dev"), who led the Water Science Division. The members considered such an arrangement unreasonable and suggested that a CC of WSD should be allowed to be promoted to AD/Dev. In addition, some members considered WSD's existing arrangement more desirable than the new proposal in terms of maintaining flexibility in manpower deployment. The Chairman pointed out that the Administration had addressed members' concerns at the Panel meeting and had provided a supplementary information paper (Paper No. CB(1)827/16-17(01)) after the meeting.

Work of Assistant Directors of Water Supplies

4. Mr CHAN Chun-ying expressed support for the regrading proposal. He asked whether, apart from AD/Dev, other officials familiar with contract negotiation and price bargaining (such as those of the Financial Services and the Treasury Bureau ("FSTB")) would participate in the negotiation work relating to Dongjiang water. He further enquired about the experience and professional expertise required of the holder of the Assistant Director/New Works ("AD/NW") post, and whether WSD would provide relevant professional training for the post holder. Mr Jeremy TAM also expressed concern about the negotiation work relating to Dongjiang water. He asked whether AD/Dev played a leading role in the negotiations relating to Dongjiang water, and enquired about the officials who would assume a supporting role in the negotiations.

5. Deputy Secretary for Development (Works) 2 ("DS(W)2") advised that the negotiation work relating to the agreement for the supply of Dongjiang water was undertaken by a team comprising officers of the Development Bureau ("DEVB") and WSD. In formulating the negotiation strategies, WSD would seek advice from the relevant policy bureaux (including FSTB). In response to Mr Jeremy TAM's enquiry on the negotiation work relating to Dongjiang water, DS(W)2 indicated that government officials of different ranks would take part in the negotiations depending on the needs at various stages, while the Secretary for Development was responsible for deciding on the final contract terms and, upon approval by the Executive Council, signing the agreement for the supply of Dongjiang water on behalf of the Hong Kong Government. Regarding the post of AD/NW, Director of Water Supplies ("DWS") said that the post holder would possess relevant experience and professional expertise.

Action

6. Mr Jeremy TAM noted that the Administration had planned to construct a tunnel system to transfer the overflow from a reservoir to another so as to tackle the problem of reservoir overflow. He enquired about the operational branch in WSD which was responsible for the project as well as its progress.

7. DWS and Assistant Director of Water Supplies (Development) pointed out that the Drainage Services Department ("DSD") was responsible for the Inter-Reservoirs Transfer Scheme. The Development Branch of WSD would closely liaise with DSD and proactively facilitate the implementation of the project. It was understood that DSD was currently engaged in designing the project and would bid for resources to take it forward, while WSD would strive to complement the project by making good use of the additional water resources derived from the transfer tunnel.

8. Ms YUNG Hoi-yan pointed out that black particles had recently been found in the drinking water supplied to the vicinity of Tai Wai. She enquired whether the replacement, flushing and inspection, etc. of water mains would be expedited and the sources of the problem would be identified upon implementation of the proposed regrading of ADWS posts to GE posts, so as to ensure the quality of water supply.

9. DWS responded that to tackle the water quality problem, WSD had been installing strainers for the mains supplying water to inside services in areas affected by black particles-contaminated drinking water. In response to Ms YUNG Hoi-yan's enquiry on the training provided for the GE who was responsible for the oversight and management of services to the New Territories (i.e. the existing post of Assistant Director/New Territories), DWS said that WSD would ensure that the GE taking up the post possessed relevant working experience, including that of handling district services.

10. Mr CHU Hoi-dick asked whether WSD would set saving water/reducing water consumption as the goals of water resources management, and set out a target ceiling on the increase in water consumption.

11. DWS advised that over the past 10 years, the total fresh water consumption in Hong Kong had increased at an average rate of about 0.25% per annum, while its per capita water consumption was about 130 litres a day. According to the experience in overseas countries, legislating for the mandatory requirement of affixing a water efficiency

Action

label to water-consuming appliances was proven to be the most effective way to reduce water usage. WSD had rolled out a voluntary Water Efficiency Labelling Scheme ("WELS") in 2009 to promote the use of water efficient appliances, and it had also mandated the use of water efficient appliances affixed with a water efficiency label in new buildings since early 2017. In the next stage, WSD would examine introducing legislation to mandate WELS labelling on all relevant water appliances available for sale. WSD had also conducted water efficiency studies for trades and government departments with high water usage and had compiled best practice guidelines on water efficiency for them. Furthermore, WSD was looking into various measures with a view to achieving the target of saving a daily average of about 10 litres of water per person.

Impact of the regrading proposal

12. Mr James TO requested the Administration to explain the reasons for the proposed regrading of the posts, and the problems that might arise if the four ADWS posts were not regraded to GE posts. He further enquired whether the regrading proposal was initiated by Engineer grade officers since they might have the chance to be posted to other departments (including the Civil Engineering and Development Department ("CEDD")) after the regrading, an arrangement which might be conducive to their future career development.

13. DWS explained that prior to 1965, the Engineer grade officers were under the central authority of the then Director of Public Works. The Engineer grade officers were formally segregated into two streams in 1965 when the Public Works Department was reorganized internally, with one stream in the existing WSD and the other in the existing CEDD. Unlike the Engineer grade officers in CEDD, ADWS could not be posted to other works departments at present. The proposed regrading of four ADWS posts to GE posts, which was initiated by the management, would better suit and reflect the current operational need within WSD. The proposed regrading could also tie in with the ranking structure of the Engineer grade under the central authority of Director of Civil Engineering and Development ("DCED") upon implementation of the merger and could thus help enhance staff resource utilization, planning, posting and succession management by pooling the officers of the two streams of the Engineer grade together.

14. Mr CHAN Chi-chuen requested the Administration to give an account of the relationship between the plan of merging the two streams of

Action

the Engineer grade headed by DCED and DWS respectively and the regrading proposal currently under discussion.

15. DS(W)2 advised that the merger proposal aimed to enhance the management, staff exposure, deployment and staff succession planning of the Engineer grade officers. In this connection, WSD had concurrently carried out a review on the work and job requirements of the heads of the five operational branches so as to meet its operational needs and enhance staff planning. The outcome of the review indicated that WSD should regrade four ADWS posts to four GE posts, while AD/M&E should be retained as an ADWS post. DWS supplemented that the four GE posts regraded from ADWS would come under the central authority of DCED as the Head of Grade.

16. Ir Dr LO Wai-kwok said that he supported the regrading proposal. He asked whether officers of both streams of the Engineer grade under CEDD and WSD supported the regrading proposal as well as the proposed merger of the two streams, and whether dissenting views had been received during the consultation on the two proposals.

17. DWS replied that the Government had consulted officers of the two streams of the Engineer grade on the merger proposal in 2008, and the officers had expressed concerns about the promotion and posting arrangements after the merger. The Government had then taken forward a number of measures to address their concerns, and staff members and relevant staff unions were formally consulted again in 2016. The current merger proposal received strong support from officers of the two aforesaid streams of the Engineer grade, who considered the proposal beneficial to their career development. After the merger, all Engineer grade officers would be subject to the management of DCED, and they could be posted to various policy bureaux/departments, including WSD and other works departments, an arrangement which was conducive to staff planning and succession management.

18. Dr CHIANG Lai-wan expressed support for the regrading proposal. She enquired about the concerns raised by the Engineer grade officers during the consultation in 2008. DWS said that the arrangements for performance appraisal and staff posting were inconsistent between WSD and CEDD in 2008 and, therefore, the Engineer grade officers had raised concerns over the two arrangements. The Government subsequently established a system on performance appraisal and staff posting applicable to both WSD and CEDD. Upon completion of a trial run, officers of the two streams of the Engineer grade were satisfied with the arrangements under the new system, and they expressed strong support for the proposed

Action

merger of the two streams during the consultation conducted in 2016.

19. Dr YIU Chung-yim noted that the Panel on Development had expressed concern over the arrangement under the regrading proposal where the head of the Water Science Division (namely a CC of the WC grade) could only be promoted to AD/M&E rather than AD/Dev, who led the Water Science Division, and considered such arrangement inappropriate. He enquired about the Administration's response to the views of the Panel.

20. Dr Helena WONG requested the Administration to explain the justifications for the arrangement under the regrading proposal where a CC of the WC grade could only be promoted to AD/M&E rather than the branch head of the Water Science Division (i.e. AD/Dev).

[*Post-meeting note:* The supplementary information provided by the Administration was circulated to members on 4 July 2017 vide LC Paper No. ESC142/16-17(01).]

21. Mr James TO and Mr LEUNG Kwok-hung were concerned about whether the regrading proposal would bring any impact on the promotion prospects of officers of various professional grades (including Civil Engineer, ME, EE and WC).

22. DS(W)2 pointed out that the Government had studied in detail the impact of the regrading proposal on the promotion prospects of CC of the WC grade, while officers of the two streams of the Engineer grade under DCED and DWS, as well as officers of the ME, EE and WC grades, had also been extensively consulted on the regrading proposal. Officers of all the four grades generally supported the proposal and, among them, those of WC grade had even expressed their strong preference to stay within the Mechanical and Electrical Branch. DWS reiterated that the aim of the regrading proposal was to reflect more accurately the job nature of these posts and the expertise required of the post holders and thus enhance staff planning. He emphasized that prior to the regrading, 15 chief professionals in WSD could be promoted to the ADWS rank which consisted of five posts, representing a promotion ratio of 15:5 or 3:1. Under the regrading proposal, the AD/M&E post would be filled only by the three chief professionals of the ME, EE and WC grades, and the promotion ratio of 3:1 could be preserved. He also pointed out that there had been cases in the past in which a CC of the WC grade was promoted to the AD/M&E post, but the AD/Dev post had never been filled by a CC of the WC grade.



Action

23. In response to Dr YIU Chung-yim's question on whether the regrading proposal, which was cost-neutral, should be submitted to ESC for consideration, the Chairman said that the terms of reference of ESC included considering submissions from the Administration involving changes to the arrangements for the creation, redeployment and deletion of directorate posts and, as appropriate, recommending to FC.

24. The Chairman enquired whether the promotion prospects of the 12 chief professionals in WSD would be improved after the merger of the two streams of the Engineer grade in WSD and CEDD. She suggested that WSD should also consider merging the various streams of the ME grade in WSD and the Electrical and Mechanical Services Department ("EMSD"). She also urged the Administration to step up its work concerning the safety and testing of drinking water.

25. DWS advised that following the merger of the Engineer grade, 81 officers of the Chief Engineer rank would be eligible for promotion to 34 GE posts (including four ADWS posts), representing a promotion ratio of 2.4:1, which was comparable to the existing ratio of 3:1. Regarding the suggestion of merging the various streams of the ME grade, DWS replied that WSD might study the feasibility of the suggestion together with EMSD in the future and would consider the suggestion after consulting the officers concerned.

Follow-up on the "excessive lead in drinking water" incident

26. Dr Helena WONG referred to the recommendations set out in the Report of the Commission of Inquiry into Excess Lead Found in Drinking Water ("the Inquiry Report") and asked when WSD would test the drinking water of all public rental housing ("PRH") estates again. She also demanded the Administration to make public the contents of relevant study reports, particularly the recommendations made by expert consultants on improving and/or eliminating drinking water contamination. Dr WONG emphasized that re-plumbing works were being carried out in some PRH estates and the contractors would have to take water samples for testing upon completion of such works. If WSD did not issue new guidelines on the water testing and sampling methods, the contractors could only conduct water testing in accordance with the present procedures (i.e. letting the tap run for two to five minutes before collecting samples for testing). She criticized that the present water testing method had failed to ensure that excessive heavy metal contaminating the drinking water would not be leaked from the pipes and fittings.

Action

27. Mr LEUNG Kwok-hung expressed grave concern about the "excessive lead in drinking water" incident. He enquired when WSD would test the drinking water of all PRH estates again and take other follow-up actions (for instance, following up on whether there was adverse impact on the health of those affected by excessive lead in water).

28. DS(W)2 and DWS advised that in connection with the recommendations set out in the Inquiry Report, the Government was discussing with consultants, experts and the industry on the details of implementing such recommendations. The policy bureaux/departments concerned were also deliberating on the recommendations and examining various implementation details to ensure their smooth implementation. The Government would report to the Panel concerned once an overall plan had been drawn up.

29. Dr Helena WONG requested the Administration to provide a concrete timetable for implementing various recommendations of the Inquiry Report; and to make public the relevant reports by the expert consultants engaged by DEVB/WSD for the study of and provision of advice on matters relating to drinking water safety after the "excessive lead in drinking water" incident. Mr LEUNG Kwok-hung requested the Administration to provide supplementary information on the measures taken forward by WSD to enhance and strengthen the control of drinking water quality in Hong Kong.

*[Post-meeting note: The supplementary information provided by the Administration was circulated to members on 4 July 2017 vide LC Paper No. ESC142/16-17(01).]*

30. Referring to the problems of WSD in many aspects as revealed in the Inquiry Report, Dr Fernando CHEUNG asked whether the regrading proposal would help WSD to rectify the various problems identified in the Inquiry Report. He questioned why WSD had not deployed manpower correspondingly in light of the "excessive lead in drinking water" incident and the recommendations of the Inquiry Report to prevent the recurrence of similar incidents. He further criticized the Administration for not pursuing timely follow-up actions on the recommendations of the Inquiry Report, particularly in respect of testing the drinking water of all PRH estates again, delineating the role of the Water Authority and the role of WSD, and setting up an independent body to oversee the performance of WSD and water quality in Hong Kong. He requested the Administration to expeditiously implement and follow up on all the recommendations set out in the Inquiry Report, and draw up a timetable for taking follow-up actions.

Action

31. DS(W)2 reiterated that the primary aim of the proposal to regrade four ADWS posts was to reflect more accurately the job nature of these posts and thus enhance staff planning, and there was no direct relationship between the proposal and the "excessive lead in drinking water" incident. DEVB and WSD had been proactively pursuing follow-up actions on the "excessive lead in drinking water" incident, including the review of relevant legislation as well as introducing amendments to the Waterworks Ordinance (Cap. 102) and the Waterworks Regulations (Cap. 102A). Concerning the recommendation of delineating the role of the Water Authority and the role of WSD as proposed in the Inquiry Report, DEVB had established an inter-bureau and inter-departmental working groups for follow-up purposes, which would make reference to the practices in other countries/regions, while consultants would also be engaged to conduct studies on the issue. He emphasized that the Government would complete its follow-up work relating to the "excessive lead in drinking water" incident as soon as possible. DWS supplemented that the Government had commenced part of the follow-up work relating to the strengthened monitoring on the use of materials and the training for licensed plumbers, which included the implementation of talent training programmes in collaboration with training institutions and the industry.

Ageing and leakage of water mains

32. Mr Wilson OR expressed support for the regrading proposal and requested WSD to take concrete follow-up actions in respect of the ageing and leakage of water mains across various districts, especially Kwun Tong where the problems were more serious. He also requested WSD to strengthen its liaison with the District Councils ("DCs") and LegCo with a view to responding to the demands of the districts more effectively.

33. DWS responded that in 2015, WSD had substantially completed its Replacement and Rehabilitation Programme of Water Mains ("R&R Programme"), under which about 3 000 km of aged water mains had been replaced and rehabilitated with the aim of reducing incidents of water main bursts and leaks. Moreover, WSD had gradually been taking forward the establishment of a Water Intelligent Network in various districts across the territory to install sensors in the water distribution network for early identification of defective water mains and follow-up actions. Under the Water Intelligent Network, about 2 000 District Metering Areas ("DMAs") would be established across the territory, with about 1 000 of them having been established so far. WSD would also conduct an Underground Asset Management Study with the aim of enhancing the management of underground water mains by making reference to overseas experience and

Action

introducing state-of-the-art technology. To strengthen liaison with the local communities, DWS advised that WSD would arrange staff to brief DCs on its work and gather views from DC members. In response to Mr Wilson OR's further enquiry, Assistant Director of Water Supplies (Mechanical and Electrical) said that a risk-based management approach was adopted in the Underground Asset Management Plan to facilitate WSD to formulate various plans for the management of water mains with different risk levels and focus its resources on monitoring and managing riskier yet important water mains.

34. Mr CHU Hoi-dick noted that following the substantial completion of the R&R Programme in 2015, the water main leakage rate had reduced from about 25% in 2001 to about 15% in 2016. He enquired about the level the water main leakage rate could reduce to upon WSD's implementation of the various measures, such as the Water Intelligent Network and the Underground Asset Management Plan.

35. DWS said that each country/region would set an appropriate leakage rate in light of its actual circumstances. Owing to the hilly terrain of Hong Kong, service reservoirs were generally located at high altitude for water supply to premises at different levels. As water mains at lower altitudes were operating under a relatively high water pressure (between 60-metre head and 80-metre head), the water mains were more prone to leakage. WSD would make reference to overseas experience and analyse the substantial amount of data collected through the Water Intelligent Network in setting a cost-effective leakage rate appropriate to the actual circumstances of Hong Kong as well as a corresponding work plan. He supplemented that WSD expected that subject to the availability of resources, the establishment of the 2 000 DMAs under the Water Intelligent Network could be completed within five years.

Supply of treated water to remote villages

36. Mr CHAN Chi-chuen noted that there were currently 19 remote villages with no access to treated water supply. Amongst them, the works for supplying treated water to Yuen Tun Ha, Tai Po had commenced and was scheduled for completion by the end of 2017. He enquired about the factors to be taken into account by the Administration when reviewing whether treated water should be supplied to remote villages.

37. DWS said that whether treated water should be supplied to a remote village mainly depended on the cost-effectiveness of the water supply project and the population of the village. If a village was sparsely populated, the relatively low total water consumption might lead to

Action

stagnant water in water mains and hence resulting in deterioration of water quality. WSD would monitor and regularly review the situation of these remote villages. Should there be developments in these remote villages that rendered the provision of treated water supply more cost-effective or when other factors that warranted further consideration emerged, WSD would proceed to apply for funding under the established procedures to take forward the works for treated water supply systems. WSD would maintain close liaison with the Home Affairs Department and the Government would provide assistance in case of problems involving water sources or shortage of drinking water so as to meet the needs of villagers.

*(At 10:22 am, the Chairman announced that the meeting be extended for not more than 15 minutes. Members agreed.)*

Voting on the item

38. The Chairman put the item to vote. She considered that the majority of the members voting were in favour of the item, and declared that members of the Subcommittee agreed to recommend the item to FC for approval. Dr Helena WONG requested that the item be voted on separately at the relevant FC meeting.

39. There being no other business, the meeting ended at 10:44 am.