

立法會

Legislative Council

LC Paper No. CB (2)1799/16-17

Ref: CB2/T/16

Paper for the House Committee meeting on 7 July 2017

Proposed arrangements for extension of period of work of subcommittees on policy issues

Purpose

This paper invites Members to consider the proposed arrangements for extension of period of work of subcommittees on policy issues in the Sixth Legislative Council ("LegCo").

Background

Activation and operation of subcommittees on policy issues

2. Under rule 26(c) of the House Rules ("HR"), a subcommittee on policy issues should complete its work within 12 months of its commencement and report to the House Committee ("HC") or the relevant Panel(s). Should such a subcommittee consider it necessary for it to work beyond that 12 months, the subcommittee should, after obtaining the endorsement of the relevant Panel(s) if it is appointed by a Panel(s), report to HC and give justifications for an extension of the 12-month period. It is the established practice to determine duration of the 12-month period on the basis of the date of the first meeting of the subcommittee.

3. Under HR 26(a) and (b), the maximum number of subcommittees on policy issues appointed by HC and Panels that may be in operation at any one time is 10 ("the quota"). Where the number of subcommittees on policy issues has reached the quota, a queuing system will automatically be activated with a waiting list formed. The order of subcommittees on the waiting list is in the order of their appointment.

Broad principles adopted for activation, operation and extension of period of work of subcommittees on policy issues

4. Members agreed at the HC meeting held on 15 November 2013¹ to adopt the following broad principles for activation, operation and extension of period of work of subcommittees on policy issues ("the Broad Principles"):

- (a) where a subcommittee considers it necessary to extend the period of its work but there are subcommittees on the waiting list awaiting activation, HC may, if considered appropriate, give permission for the subcommittee to continue to operate for three more months in the first instance after the expiry of its period of work to allow time for it to wrap up its current stage of work, after which the subcommittee will, if necessary, be placed on the waiting list for re-activation of work. Upon re-activation, the subcommittee should complete its work within the remainder of the extension period originally sought, unless decided otherwise by HC. HC can decide the order of activation/re-activation of subcommittees on the waiting list; and
- (b) the number of subcommittees under each Panel operating at the same time should not exceed two. For this purpose, a joint subcommittee will be counted as one subcommittee for each of the Panels concerned.

One-off arrangement for activation of subcommittees on policy issues in the 2016-2017 session

5. Taking into consideration that the number of subcommittees on policy issues proposed/intended to be appointed under HC and Panels had already exceeded the quota in the first month of the 2016-2017 session, Members agreed at the HC meeting held on 28 October 2016 to adopt a one-off arrangement for activation of subcommittees on policy issues in the first session of the Sixth LegCo. The one-off arrangement was as follows:

¹ As at that date, the maximum number of subcommittees on policy issues that might be in operation at any one time was eight, and eight such subcommittees were in operation while four were on the waiting list. Since additional resources were allocated to the Secretariat from the 2014-2015 financial year onwards, the maximum number of subcommittees on policy issues that might be in operation at any one time has increased to 10.

- (a) priority would be given to the activation of four subcommittees on policy issues, namely, in the order of the dates of their first meetings, Subcommittee to Follow Up Issues Relating to the Three-runway System at the Hong Kong International Airport, Subcommittee on Matters Relating to Railways, Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project and Subcommittee on Retirement Protection;
- (b) lots would be drawn to determine the order of activation among other subcommittees on policy issues appointed by HC and Panels before noon of 14 November 2016 if the number of the proposed subcommittees exceeded the remaining vacant slots; and
- (c) for subcommittees on policy issues appointed after noon of 14 November 2016, their order of activation would be set in accordance with their date of appointment on a first-come, first-served basis.

Considerations for extension of period of work of subcommittees on policy issues in the Sixth LegCo

Proposals for extension of period of work of subcommittees on policy issues

6. As at 6 July 2017, a total of 18 subcommittees on policy issues had been appointed, of which 10 were in operation and eight on the waiting list (**Appendices I and II** refer). The following five subcommittees on policy issues currently in operation have recently reviewed their work progress and consider it necessary for them to work beyond 12 months since their commencement: (a) Subcommittee on Rights of Ethnic Minorities; (b) Subcommittee on Matters Relating to Railways; (c) Subcommittee on Children's Rights; (d) Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project; and (e) Subcommittee on Retirement Protection. Details of the progress of the above five subcommittees and their proposals for extension of period of work are set out in **Appendices III to VII**. It is given to understand that some other subcommittees in operation may also submit their proposals for extension of period of work in due course.

7. The 10 subcommittees currently in operation commenced work during November to December 2016. Of the eight subcommittees on the waiting list, five were appointed before mid-November 2016 while

the remaining three between February and May 2017. If HC allows all subcommittees in operation which seek for extension of period of work another three more months to wrap up their current work (in accordance with the Broad Principles set out in paragraph 4), all the eight subcommittees on the waiting list will need to wait much longer for activation of their work.

Servicing work for other types of committees including Select Committee, Investigation Committees, Bills Committees and Subcommittees

8. Under HR 21(a), the maximum number of Bills Committees should be limited to 16 at any one time. It is anticipated that by the end of the current session, there will be 15 Bills Committees. As the scrutiny of subsidiary legislation is subject to very tight timeframe, it is the Secretariat's pledge to provide the necessary support services to subcommittees on subsidiary legislation as long as they are formed. As at 6 July 2017, a total of 31 subcommittees have been formed by HC to study subsidiary legislation in the 2016-2017 session. The total number of subcommittees formed to study subsidiary legislation in the Fifth LegCo were 118, with an average of about 29 in each session. The Secretariat has been operating in full capacity in servicing these committees in addition to 18 Panels, the Finance Committee and its two subcommittees, the Public Accounts Committee, the Committee on Members' Interests, the House Committee and the Committee on Rules of Procedure, etc.

9. Currently, there are one Select Committee established under Rule 20(6) of the Rules of Procedure ("RoP")², and two Investigation Committees established under RoP 49B(2A)³ in operation.

10. When a select committee was first established under RoP 20(6) pursuant to the presentation of a petition in 2013, while HC has agreed that such select committee operating at any one time should be capped at one, the Secretariat has been deploying existing staffing resources to absorb the servicing work for this type of select committee.

² The petition presented by Hon Kenneth LEUNG co-signed by himself and Hon Andrew WAN at the Council meeting of 2 November 2016 has been referred to the Select Committee to Inquire into Matters about the Agreement between Mr LEUNG Chun-ying and the Australian firm UGL Limited.

³ Two Investigation Committees have been established under RoP 49B(2A) respectively in respect of the motion to censure Dr CHENG Chung-tai moved at the Council meeting of 14 December 2016, and the motion to censure Mr Holden CHOW moved at the Council meeting of 7 June 2017.

11. Members are also invited to note that there are no precedents that the Secretariat needs to service two investigation committees concurrently. In view of the workload required to service an investigation committee, additional staffing resources had been obtained to create a temporary team to support the servicing of the first Investigation Committee established in the Fourth LegCo.⁴ When the Investigation Committee established under RoP 49B(2A) in respect of the motion to censure Dr Hon CHENG Chung-tai was formed at the Council meeting of 14 December 2016, the Secretariat did not seek additional resources to set up an additional team to service the Investigation Committee, taking into account that there were only two Bills Committees in action at that time, but its capacity has already been stretched. It is noteworthy that since an investigation committee is responsible for investigating serious allegations against a Member which could lead to the Member being disqualified from office, its servicing work is much more complex and demanding than that for a subcommittee on policy issues. However, given the prevailing resources constraints of the Secretariat, it is unlikely that additional staffing resources will be made available.

Proposed arrangements for extension of period of work of subcommittees on policy issues

12. To ensure that subcommittees on the waiting list can commence work as early as possible and in view of the prevailing staffing resources constraints, Members are invited to consider the following proposed arrangements for extension of period of work of subcommittees on policy issues:

- (a) upon completion of the 12-month period, a subcommittee on policy issues currently in operation will vacate its slot for activation of a subcommittee on the waiting list. If the subcommittee considers it necessary for it to work beyond the 12-month period, upon obtaining HC's endorsement, it will be put on the waiting list for re-activation. The order of activation for subcommittees on the waiting list, unless decided otherwise by HC, will be set in accordance with the date on which they are put on the waiting list on a first-come, first-served basis;

⁴ The Investigation Committee was established under RoP 49B(2A) in respect of the Motion to censure Hon KAM Nai-wai, which was moved at the Council meeting of 9 December 2009. Two temporary posts (i.e. a Senior Council Secretary and a Clerical Assistant) have been created to provide support to the Chief Council Secretary who had been redeployed to serve as the Clerk to the Investigation Committee.

- (b) pursuant to Members' agreement at the HC meeting on 28 October 2016 to give priority for the four subcommittees on policy issues to be activated, upon completion of the 12-month period, these four subcommittees will be given permission for continuation of work in the 2017-2018 session if they propose to do so. These four subcommittees are, namely, Subcommittee to Follow Up Issues Relating to the Three-runway System at the Hong Kong International Airport, Subcommittee on Matters Relating to Railways, Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project and Subcommittee on Retirement Protection; and
- (c) if Members agree to the arrangements proposed in (a) and (b) above, four slots will be available for activation of work for subcommittees on the waiting list. The Secretariat will review its available manpower against the demand from various other committees closer to the time, with the objective of finding the necessary resources to support the activation of the said subcommittees as soon as practicable.

Advice sought

13. Members are invited to consider the proposed arrangements as set out in paragraph 12(a) to (c).

Council Business Division 2
Legislative Council Secretariat
6 July 2017

Subcommittees on policy issues currently in operation

Subcommittees on policy issues	Date of first meeting	End date of 12-month period	Proposed time frame for extension of period of work
1. Subcommittee on Rights of Ethnic Minorities under the House Committee	2 November 2016	1 November 2017	Until 1 November 2018
2. Subcommittee to Follow Up Issues Relating to the Three-runway System at the Hong Kong International Airport under the House Committee*	11 November 2016	10 November 2017	(Note)
3. Subcommittee on Refuse Collection and Resource Recovery under the Panel on Environmental Affairs	15 November 2016	14 November 2017	(Note)
4. Subcommittee on Matters Relating to Railways under the Panel on Transport*	18 November 2016	17 November 2017	Continue to work in 2017-2018 session
5. Subcommittee on Children's Rights under the House Committee	18 November 2016	17 November 2017	Until 17 May 2018
6. Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project under the Panel on Development and the Panel on Home Affairs*	23 November 2016	22 November 2017	Until 22 November 2018
7. Subcommittee on Retirement Protection under the House Committee*	23 November 2016	22 November 2017	Continue to work in 2017-2018 session
8. Subcommittee on Issues Relating to Bazaars under the House Committee	6 December 2016	5 December 2017	(Note)
9. Subcommittee to Study Issues Relating to Animal Rights under the Panel on Food Safety and Environmental Hygiene	16 December 2016	15 December 2017	(Note)
10. Joint Subcommittee on Long-term Care Policy under the Panel on Welfare Services and Panel on Health Services	16 December 2016	15 December 2017	(Note)

* These four subcommittees were given priority for activation at the House Committee ("HC") meeting held on 28 October 2016.

Note : HC has not yet received proposals for extension of period of work from Subcommittees numbered 2, 3 and 8 to 10.

Subcommittees on policy issues on the waiting list

Subcommittees on policy issues	Date of appointment
1. Subcommittee on Issues Relating to Shopping Centres, Markets and Carparks in Public Rental Housing Estates and Home Ownership Scheme Estates under the House Committee*	11 November 2016
2. Subcommittee on Issues Relating to Public Markets under the Panel on Food Safety and Environmental Hygiene*	8 November 2016
3. Subcommittee to Follow Up Issues Relating to the Unified Screening Mechanism for Non-refoulement Claims under the House Committee*	28 October 2016
4. Subcommittee to Follow Up the Issues Related to the Wang Chau Development Project under the Panel on Housing	15 November 2016
5. Subcommittee to Follow Up Issues Related to Inadequate Housing and Relevant Housing Policies under the Panel on Housing	15 November 2016
6. Joint Subcommittee on Issues Relating to the Regulation of Devices and Development of the Beauty Industry under the Panel on Health Services and the Panel on Commerce and Industry	28 February 2017
7. Subcommittee on Issues Relating to the Development of Chinese Medicine under the Panel on Health Services	25 April 2017
8. Subcommittee on Hillside Escalator Links and Elevator Systems under the Panel on Transport	19 May 2017

* These subcommittees are among the six subcommittees of which the order of activation was determined by lot drawing held on 16 November 2016. According to the results of the lot drawing, these three subcommittees are placed on the waiting list in the order as listed.

立法會
Legislative Council

LC Paper No. CB(2)1808/16-17

Ref : CB2/HS/2/16

Paper for the House Committee meeting on 7 July 2017

**Continuation of work of the Subcommittee on Rights of Ethnic Minorities
in the 2017-2018 session**

Purpose

This paper reports on the progress of work of the Subcommittee on Rights of Ethnic Minorities ("the Subcommittee"), and the need for the Subcommittee to extend the period of its work by 12 more months until 1 November 2018.

Background

2. The Subcommittee was appointed by the House Committee ("HC") on 14 October 2016 to study and follow up on policies and measures relating to ethnic minority ("EM") issues in Hong Kong and make timely recommendations. The membership of the Subcommittee is in **Annex**. According to its work plan, the Subcommittee should focus its work on:

- (a) development of a "Chinese language as the second language" curriculum, the examination and assessment systems, as well as the placement of EM students and support measures to these students and to schools admitting them;
- (b) implementation and review of the Race Discrimination Ordinance ("RDO");
- (c) difficulties encountered by EMs in applying for the Hong Kong Special Administrative Region Passport;
- (d) housing problem of EMs;
- (e) right of fair access to government and public services by EMs, implementation of the Administrative Guidelines on Promotion of

Racial Equality and review of the services provided by the Support Service Centres for EMs;

- (f) poverty situation of EMs and difficulties encountered by EMs in applying for the Low-income Working Family Allowance ("LIFA") (e.g. EMs who were employed as casual workers were unable to provide proofs of employment when applying for LIFA);
- (g) employment difficulties encountered by EMs and enhancing employment support services for EMs (including establishing an Ethnic Minority Employment Division and employing English-speaking EM staff to provide support services for non-Chinese speaking job-seekers, and providing other additional employment support measures funded by the Community Care Fund for EMs);
- (h) disparity between the remuneration rates applicable to EMs and other local people employed by the Government as interpreters;
- (i) lack of venues in districts for EMs to conduct religious and cultural activities;
- (j) matters relating to the use of medical and health services by EMs; and
- (k) other subjects pertinent to EM issues.

Progress of work of the Subcommittee

3. Under the chairmanship of Hon Paul TSE Wai-chun, the Subcommittee has held eight meetings since November 2016 with the Administration, and received views from deputations at three of these meetings. The Subcommittee has studied the following major issues:

- (a) education for children of EMs – implementation progress of the "Chinese language as the second language" curriculum, placement of EM students and support measures to these students and to schools admitting them;
- (b) employment support services for EMs;
- (c) housing problem of EMs (including difficulties in gaining access to public housing services and in renting private premises);

- (d) issues relating to the use of healthcare services by EMs;
- (e) Support Service Centres for EMs; and
- (f) poverty problem of EMs.

Need for continuation of work in the 2017-2018 session

4. The Subcommittee has yet to study the following issues which have been identified for its discussion:

- (a) implementation and review of RDO;
- (b) implementation of the Administrative Guidelines on Promotion of Racial Equality;
- (c) difficulties encountered by EMs in applying for the Hong Kong Special Administrative Region Passport;
- (d) disparity between the remuneration rates applicable to EMs and other local people employed by the Government as interpreters; and
- (e) lack of venues in districts for EMs to conduct religious and cultural activities.

5. Besides, a joint submission from eight non-government organizations was received in May 2017 [LC Paper No. CB(2)1609/16-17(01)] requesting the Subcommittee to extend its period of work by 12 more months and to cover additional topics, including mental health support for EMs, using Putonghua as the medium of instruction for EMs, and support for non-Chinese speaking students with special education needs.

6. According to Rule 26(c) of the House Rules, if a subcommittee on a policy issue appointed by HC considers it necessary to work beyond 12 months of its commencement, it should report to HC and give justifications for an extension of the 12-month period.

7. The Subcommittee will have worked for 12 months by 1 November 2017. Having regard to the outstanding issues which need to be followed up by the Subcommittee as set out in paragraph 4(a) to (e) and the time required by the Subcommittee to conclude its work and finalize its recommendations, the Subcommittee considers it necessary to extend the period of its work by 12 more months until 1 November 2018.

Advice sought

8. Pursuant to Rule 26(c) of the House Rules, Members are invited to note the progress of work of the Subcommittee and endorse the proposal of the Subcommittee to extend the period of its work until 1 November 2018.

Council Business Division 2
Legislative Council Secretariat
6 July 2017

Subcommittee on Rights of Ethnic Minorities

Membership list*

Chairman	Hon Paul TSE Wai-chun, JP
Deputy Chairman	Hon Alice MAK Mei-kuen, BBS, JP
Members	Hon Abraham SHEK Lai-him, GBS, JP Hon LEUNG Kwok-hung Hon Claudia MO Hon LEUNG Che-cheung, SBS, MH, JP Hon KWOK Wai-keung, JP Hon Dennis KWOK Wing-hang Dr Hon Fernando CHEUNG Chiu-hung Dr Hon Helena WONG Pik-wan Hon IP Kin-yuen Hon POON Siu-ping, BBS, MH Dr Hon CHIANG Lai-wan, JP Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon Holden CHOW Ho-ding Hon SHIU Ka-fai Hon SHIU Ka-chun Total : 19 Members
Clerk	Ms Joanne MAK
Legal Adviser	Miss Evelyn LEE
Date	30 June 2017

* Changes in membership are shown in enclosure.

Subcommittee on Rights of Ethnic Minorities

Changes in membership

Member	Relevant date
Hon Jimmy NG Wing-ka, JP	Up to 7 November 2016
Hon CHAN Chun-ying	Up to 6 December 2016
Hon Dennis KWOK Wing-hang	since 12 December 2016

立法會
Legislative Council

LC Paper No. CB(4)1362/16-17

Ref : CB4/PS/1/16

Paper for the House Committee meeting on 7 July 2017

**Continuation of work of the
Subcommittee on Matters Relating to Railways**

Purpose

This paper reports on the progress of work of the Subcommittee on Matters Relating to Railways ("the Subcommittee") formed under the Panel on Transport and the need for the Subcommittee to continue its work in the 2017-2018 legislative session.

Background

2. In the last four legislative terms (2000-2004, 2004-2008, 2008-2012 and 2012-2016), a subcommittee was set up under the Panel on Transport to monitor issues relating to the planning and implementation of new railway projects, and the operation of existing railways.

3. Following previous practices, in the 2016-2017 session, the Panel on Transport agreed at its meeting on 28 October 2016 to appoint a subcommittee to follow up relevant matters. The Subcommittee held its first meeting on 18 November 2016. The terms of reference and membership of the Subcommittee are set out in **Annexes I and II** respectively.

Work of the Subcommittee

4. The Subcommittee has held six meetings in the 2016-2017 session to study the following major issues:

(a) Implementation of new railway projects

- (i) progress update and financial situation of the implementation of the Hong Kong section ("HKS") of the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL"), Shatin to Central Link ("SCL"), Kwun Tong Line Extension ("KTE"), and South Island Line (East) ("SIL(E));¹ and
- (ii) public transport reorganization plans in tandem with the commissioning of KTE and SIL(E).

(b) Operation of existing railways

- (i) review of the Mass Transit Railway By-laws and Mass Transit Railway (North-West Railway) Bylaw by the MTR Corporation Limited ("MTRCL");
- (ii) progress of the enhancement of MTR station facilities;
- (iii) causes of major railway incidents, and contingency arrangements; and
- (iv) measures for increasing the carrying capacity of Light Rail.

5. The Subcommittee also conducted a site visit to SIL(E) on 12 December 2016 to better understand the service and facilities of the new railway line before its commissioning.

¹ KTE and SIL(E), which are implemented under the ownership approach (i.e. the MTR Corporation Limited is responsible for the financing, design, construction, operation and maintenance of the railway projects, and will own the railways), were commissioned on 23 October 2016 and 28 December 2016 respectively.

Need for continuation of work in the 2017-2018 session

Implementation of new railway projects

6. The Subcommittee will need to continue with its work to monitor the implementation of the two railway projects under construction, namely HKS of XRL and SCL. These two projects are implemented under the concession approach,² and relevant key information is set out in **Annex III**. Both projects have experienced different degree of delay in construction and faced cost overrun.

Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link

7. The Subcommittee has been keenly concerned about the slippage of the HKS of XRL project and the resultant increase in the project cost. Since the fourth quarter of 2014, the frequency of the submission of reports to the Subcommittee on progress update and financial situation of the HKS of XRL project has been increased from six-month to quarterly intervals. In the 2016-2017 session, the Subcommittee examined three quarterly progress reports at its meeting on 9 December 2016, 10 February 2017 and 2 June 2017. According to the latest progress report up to 31 March 2017, HKS of XRL has been 90% completed against the target commissioning in the third quarter of 2018, and the testing and commissioning would commence in the second half of 2017. At this critical stage, it is necessary for the Subcommittee to continue to monitor the implementation of HKS of XRL, as well as the financial situation of the project. Also, with the target commissioning of HKS of XRL approaching, the Subcommittee has expressed pressing concerns about the progress and details of the implementation of the co-location of customs, immigration and quarantine facilities at the West Kowloon Terminus.

² Under the concession approach, the Administration is responsible for the construction costs of the railway project whilst MTRCL is entrusted with the planning and design of the project. Upon completion of the construction, MTRCL will be granted a service concession for the operation of the railway line while the Administration will receive a service concession payment annually.

Shatin to Central Link

8. At the Subcommittee meeting on 9 December 2016, members noted with grave concern about the significant increase of at least \$4,100 million in the cost estimate for SCL arising from the archaeological finds at the works sites of To Kwa Wan Station, late handover of critical works sites including that of Exhibition Station, unbudgeted foundation works for topside development at Exhibition Station and other factors such as shortage of labour. Members noted that after completion of the detailed review by MTRCL, the Administration would seek additional funding for the main works from the Legislative Council ("LegCo") in the 2017-2018 session. Apart from the main works, the Subcommittee had considered the additional funding proposal to cover the cost increase in the advance railway works of SCL from \$6,254.9 million to \$7,102.6 million in money-of-the-day prices.³ At the meetings on 9 December 2016, 10 February 2017 and 2 June 2017, members noted that, due to the 11-month delay arising from the archaeological discovery and other factors encountered, commissioning of the Tai Wai to Hung Hom Section would be deferred to end 2019, while that of the Hung Hom to Admiralty Section to 2021. However, with the delay recovery measures implemented at the Tai Wai to Hung Hom Section, the target commissioning date of this section could be advanced to about mid-2019. In the above connection, the Subcommittee will need to continue to follow up the progress and financial situation of the implementation of SCL.

Planning of new railway projects

9. In October 2014, the Subcommittee members were briefed by the Administration on the Railway Development Strategy 2014 ("RDS-2014"), which recommends that seven railway projects be completed in the planning horizon up to year 2031 having regard to transport demand, cost-effectiveness and the development needs of New Development Areas and other new developments. The seven projects are: Northern Link and Kwu Tung Station, Tuen Mun South Extension, East Kowloon Line, Tung Chung West Extension, Hung Shui Kiu Station, South Island Line (West), and North Island Line. The proposed indicative implementation window for planning purpose (i.e. between

³ The funding proposal was endorsed by the Public Works Subcommittee on 5 April 2017, and approved by the Finance Committee on 17 June 2017.

2018 and 2026) and the preliminary cost estimates for the individual railway projects are in **Annex IV**.

10. According to the Administration in November 2015, it had taken forward the detailed planning work of the implementation for the first batch of railway projects, i.e. Northern Link and Kwu Tung Station, Tuen Mun South Extension and East Kowloon Line. As for other projects, the Administration would kick-start the detailed planning work in a timely manner according to the indicative implementation window recommended in RDS-2014. It is therefore envisaged that the Subcommittee will need to monitor the planning including the alignment, financing as well as the environmental impact assessment of the abovesaid railway projects.

11. In view that the Administration plans to commence the Strategic Studies on Railways and Major Roads beyond 2030 subject to funding approval by LegCo, under which the study in respect of the railways section would commence in the second quarter of 2018 for completion by the third quarter of 2021, the Subcommittee may need to provide views and inputs where appropriate.

Operation of existing railways

12. In the 2016-2017 session, the Subcommittee had followed up on a number of major railway incidents, namely the power outage incident at SIL(E) on 29 December 2016, flooding of the South Horizons Station due to a burst water pipe on 14 February 2017, service disruption of Kwun Tong Line for more than two hours during the evening peak hours on 10 April 2017, and the 4.5-hour service disruption of the East Rail Line on 18 May 2017. In addition to seeking explanation from MTRCL on the causes of individual incidents, members also examined the handling of incidents and contingency measures taken by MTRCL. Expressing concerns over the ageing problem of the railway systems, members urged MTRCL to step up inspections and maintenance. Specifically, the Chairman and members repeatedly urged the Administration to review its existing visual inspection procedure for overhead cables. The Subcommittee will certainly need to continue to monitor the performance of existing railway lines.

13. Besides, the Subcommittee has all along been following up the progress of enhancement of MTR station facilities. At the Subcommittee meeting on 28 April 2017, members noted the continuous

improvement in the provision of barrier-free access facilities and toilets at stations. However, members were disappointed about the lack of progress in the provision of breastfeeding rooms at stations. They urged MTRCL to actively identify suitable space, such as vacating some MTR shops for this purpose.

14. Given the growing population in Tuen Mun and Yuen Long in the coming years, coupled with the further development of North West New Territories, the Subcommittee members were keenly concerned that the capacity of Light Rail service would be insufficient to cope with the transport demand. Members urged MTRCL to deploy more coupled-set Light Rail Vehicles ("LRVs"). They also urged MTRCL to take interim measures to strengthen the existing Light Rail service before the LRV fleet could be expanded upon the delivery of the newly purchased LRVs by batches between 2019 and 2023. In the final report of the Public Transport Strategy Study released in June 2017, a host of short, medium and long-term measures to enhance Light Rail service were recommended for implementation in the coming years. It is therefore necessary for the Subcommittee to continue to oversee the enhancement of Light Rail service.

Proposed extension of period of work

15. Rule 26(c) of the House Rules provides that a subcommittee should complete its work within 12 months of its commencement and report to the relevant Panel(s). If it is necessary for a subcommittee to work beyond that 12 months, the subcommittee should, after obtaining the endorsement of the relevant Panel(s), report to the House Committee and give justifications for an extension of the 12-month period.

16. The Subcommittee plays a significant role in monitoring the Administration and MTRCL in the implementation of new railway projects under construction or planning and the various issues arising from railway operations like service disruption or safety operation. Having regard to the matters which need more focused discussion and follow-up by the Subcommittee as set out in paragraphs 6 to 14 above, the Panel on Transport has endorsed the proposal for the Subcommittee to continue its work in the 2017-2018 session.

Advice sought

17. Pursuant to Rule 26(c) of the House Rules, Members are invited to note the progress of work of the Subcommittee and approve the proposal for the Subcommittee to continue its work in the 2017-2018 session.

Council Business Division 4
Legislative Council Secretariat
6 July 2017

Panel on Transport

Subcommittee on matters relating to railways

Terms of Reference

To follow up various issues relating to the planning and implementation of new railway projects, and the operation of existing railways as follows:

Planning and implementation of new railway projects

- (a) planning and financing of new railway projects;
- (b) environmental impact assessment of new railway projects;
- (c) resumption of land arising from the implementation of new railway projects under the Railways Ordinance (Cap. 519);
- (d) progress update on the implementation of new railway projects;
- (e) provision of supporting public infrastructure for new railway projects; and
- (f) co-ordination of public transport services arising from the commissioning of new railway lines.

Railway operation

- (a) performance of existing railway lines including train service performance and safety management;
- (b) maintenance programme; and
- (c) train service disruptions and breakdowns, and arrangements for handling emergency situations.

Matters relating to corporate governance of the post-merger corporation and fares, including review of the fare adjustment mechanism, should be dealt with by the Panel on Transport.

Panel on Transport

Subcommittee on Matters Relating to Railways

Membership list for 2016-2017 session

Chairman	Hon Michael TIEN Puk-sun, BBS, JP
Deputy Chairman	Hon LAU Kwok-fan, MH
Members	Hon Mrs Regina IP LAU Suk-ye, GBS, JP Hon LEUNG Kwok-hung Hon Claudia MO Hon Frankie YICK Chi-ming, SBS, JP Hon YIU Si-wing, BBS Hon CHAN Han-pan, JP Dr Hon KWOK Ka-ki Dr Hon Helena WONG Pik-wan Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon LAM Cheuk-ting Hon Wilson OR Chong-shing, MH Hon YUNG Hoi-yan Hon CHAN Chun-ying Hon Tanya CHAN Hon LUK Chung-hung Hon Kenneth LAU Ip-keung, BBS, MH, JP Dr Hon CHENG Chung-tai Hon Jeremy TAM Man-ho Hon Nathan LAW Kwun-chung Dr Hon YIU Chung-yim

(Total: 25 members)

Clerk	Ms Sophie LAU (up to 14 February 2017) Ms Doris LO (since 15 February 2017)
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Legal Adviser	Mr Alvin CHUI
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* Changes in membership are set out in Enclosure to Annex II

Panel on Transport

Subcommittee on Matters Relating to Railways

Changes in membership

Member	Relevant date
Hon LAM Cheuk-ting	Since 9 December 2016
Dr Hon Elizabeth QUAT, BBS, JP	Up to 12 March 2017
Hon CHEUNG Kwok-kwan, JP	Up to 14 March 2017

Key information of the two railway projects under construction
(updated as at June 2017)

	Hong Kong section of Guangzhou-Shenzhen- Hong Kong Express Rail Link	Shatin to Central Link
<i>Length of the rail line</i>	26 km	17 km
<i>Estimated construction cost</i>	\$66.8 billion (in money-of-the day ("MOD") prices)	\$79.8 billion (in MOD prices)
<i>The MTR Corporation Limited's latest estimated construction cost</i>	\$86.42 billion (increased by \$19.62 billion)	At least increased by \$4.1 billion
<i>Funding arrangement</i>	Implemented under the concession approach Construction of: - railway works: \$70.405 billion - non-railway works: \$16.015 billion Special ex-gratia payments in relation to the project: \$86 million	Implemented under the concession approach Protection works: \$695 million Advance works: \$7.7 billion Construction of: - railway works – main works: \$65.4 billion - non-railway works – main works: \$5.98 billion
<i>Works commenced in</i>	2010	2012
<i>Original target commissioning dates</i>	2015	December 2018: Tai Wai to Hung Hom Section December 2020: Hung Hom to Admiralty Section
<i>Target opening/actual commissioning date</i>	Third Quarter of 2018	Mid-2019: Tai Wai to Hung Hom Section 2021: Hung Hom to Admiralty Section

Proposed indicative implementation window for planning purpose and the preliminary cost estimates for railway projects under planning

Railway projects under planning	Indicative implementation window for planning purpose	Preliminary cost estimate (\$ billion, in 2013 prices)
(a) Northern Link and Kwu Tung Station	2018 – 2023*	23
(b) Tuen Mun South Extension	2019 – 2022	5.5
(c) East Kowloon Line	2019 – 2025*	27.5
(d) Tung Chung West Extension	2020 – 2024*	6
(e) Hung Shui Kiu Station	2021 – 2024*	3
(f) South Island Line (West)	2021 – 2026*	25
(g) North Island Line	2021 – 2026	20
Total		110

* Implementation of the schemes will be contingent upon the progress of the residential developments in the vicinity.

立法會
Legislative Council

LC Paper No. CB(4)1364/16-17

Ref : CB4/HS/1/16

Paper for the House Committee meeting on 7 July 2017

**Proposed continuation of work of
the Subcommittee on Children's Rights**

Purpose

This paper reports on the progress of work of the Subcommittee on Children's Rights ("the Subcommittee") and seeks Members' endorsement of the Subcommittee's proposal to continue its work up to 17 May 2018.

Background

2. The Subcommittee was appointed by the House Committee ("HC") in October 2016 to study and review the existing child policy, and make timely recommendations. The terms of reference and membership of the Subcommittee are set out in **Annexes I and II** respectively.

Progress of Subcommittee's work

3. Since 18 November 2016, the Subcommittee has held nine meetings with the Administration and received views from deputations at eight of these meetings. The Subcommittee has completed its discussions on the following eight items:

- (a) support measures for children from drug abusing families;
- (b) issues relating to children without medical needs overstaying in hospitals and their conditions of being restrained;
- (c) review on Multi-disciplinary Case Conference and welfare plans for children;
- (d) review on residential child care services;

- (e) children's expectation on the Government;
- (f) proposal for establishing a commission on children;
- (g) rights of children in Correctional Home and Correctional Institution; and
- (h) support measures for Deaf and Hard-of-Hearing children.

4. In addition, the Subcommittee conducted visits to Tuen Mun Children and Juvenile Home, Sha Tsui Correctional Institution and Pik Uk Correctional Institution on 28 April, 5 May and 16 June 2017 respectively to understand their services and operations. The Subcommittee will discuss issues related to the rights of refugee children at its July meeting.

Need for continuation of work in the 2017-2018 session

5. Members expressed various concerns about the abovementioned issues and considered it necessary to further examine some of them. Issues which have yet to study by the Subcommittee are set out in **Annex III**.

6. The current term of Subcommittee members will expire on 18 November 2017. Rule 26(c) of the House Rules ("HR") provides that if a subcommittee on a policy issue appointed by HC considers it necessary to work beyond 12 months of its commencement, it should report to HC and give justifications for an extension of the 12-month period. The Subcommittee agreed, at its meeting on 20 June 2017, that it should continue its work for doing the tasks mentioned above. For doing so, the Subcommittee proposed to continue its work for 6 months until 17 May 2018.

Advice sought

7. Pursuant to HR 26(c), Members are invited to note the progress of work of the Subcommittee and endorse the Subcommittee's proposal to continue its work up to 17 May 2018.

Subcommittee on Children's Rights

Terms of reference

To study and review the existing child policy, including the respective services and policies for children with different disadvantages, encourage children to participate and express for themselves, analyze and study international policies, discuss relevant policies with the Administration and make timely recommendations.

Subcommittee on Children's Rights

Membership list

Chairman	Dr Hon Fernando CHEUNG Chiu-hung
Deputy Chairman	Hon SHIU Ka-chun
Members	Hon LEUNG Yiu-chung Dr Hon Priscilla LEUNG Mei-fun, SBS, JP (Up to 21 February 2017) Dr Hon KWOK Ka-ki Hon KWOK Wai-keung, JP Dr Hon Helena WONG Pik-wan Hon IP Kin-yuen Dr Hon Elizabeth QUAT, BBS, JP Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Hon HUI Chi-fung Hon LAU Kwok-fan, MH (Up to 20 November 2016) Dr Hon CHENG Chung-tai Hon Nathan LAW Kwun-chung Dr Hon LAU Siu-lai
Clerk	Ms Angel WONG
Legal Adviser	Miss Rachel DAI

Subcommittee on Children's Rights

Items for discussion in the 2017-2018 session

- (a) Rights of disadvantaged children, including children with physical disabilities/special education needs/different sexual orientation/suicidal tendency, children under poverty, children without welfare protection, ethnic minorities children and abandoned children;
- (b) Support measures for abused children, including children suffered domestic violence, physical abuse and sexual assault, and children being neglected;
- (c) The Hong Kong Children Hospital, and the needs of children with chronic illnesses/rare diseases and long-stay paediatric patients;
- (d) Establishment of children database and children advisory mechanism;
- (e) Legislations on children protection, including the review of the Guardianship of Minors Ordinance (Cap. 13), the Protection of Children and Juveniles Ordinance (Cap. 213) and the Juvenile Offenders Ordinance (Cap. 226);
- (f) Review on provision of child care services and occasional child care services;
- (g) Issues related to childhood obesity; and
- (h) Follow-up measures for children affected by excessive lead in drinking water.

立法會
Legislative Council

LC Paper No. CB(1)1258/16-17

Ref : CB1/PS/2/16

Paper for the House Committee meeting on 7 July 2017

**Proposed extension of period of work of
the Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project
under the Panel on Development and the Panel on Home Affairs**

Purpose

This paper reports on the progress of work of the Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project ("the Joint Subcommittee") and seeks Members' endorsement of the proposal of the Joint Subcommittee's proposal to extend its period of work for 12 months, i. e. up to 22 November 2018.

Background

2. The Joint Subcommittee was appointed by the Panel on Development ("DEV Panel") and the Panel on Home Affairs ("HA Panel") in November 2016 to monitor the issues relating to the implementation of the West Kowloon Cultural District ("WKCD") project, including the work of the West Kowloon Cultural District Authority ("WKCDA"), the project's interface with arts and cultural development, and other related matters. The terms of reference and membership list of the Joint Subcommittee are set out in **Annexes I and II** respectively. According to its work plan, the Joint Subcommittee will follow up on the recommendations of the former Joint Subcommittee formed in the Fifth Legislative Council ("LegCo") and focus its work on the following areas:

- (a) the taking forward of the Development Plan for WKCD;
- (b) planning and development of the core arts and cultural facilities and other associated facilities;
- (c) strategy for the development of cultural software, such as the artistic positioning and mode of governance of and management strategy for the performing arts facilities;
- (d) financial management and procurement procedures; and
- (e) governance and work of WKCDA.

Progress of work of the Joint Subcommittee

3. The Joint Subcommittee has, since 23 November 2016, held six meetings. The Joint Subcommittee also conducted a site visit to WKCD on 12 December 2016 to better understand the latest development of the WKCD project. Major issues studied by the Joint Subcommittee include:

- (a) Progress of the development of the core arts and cultural facilities of WKCD including M+, Xiqu Centre and Lyric Theatre Complex;
- (b) Outcome of the public consultation exercise on the proposed Hong Kong Palace Museum project;
- (c) Overview of the progress of development of cultural software for WKCD;
- (d) The enhanced financial arrangement for WKCD; and
- (e) Funding proposals for the implementation of the integrated basement and public infrastructure works for WKCD.

Need for continuation of work

Outstanding issues for deliberation

4. It was agreed at the meeting of the Joint Subcommittee on 20 December 2016 that the Joint Subcommittee should discuss with the

Administration and WKCDA, among other topics: (a) the pier development at WKCD, (b) the connectivity of WKCD with its neighbouring areas, and (c) the governance and management of the cultural facilities of WKCD. The Joint Subcommittee has yet to arrange meetings to study these issues.

Follow-up on major issues

Enhanced financial arrangement for the West Kowloon Cultural District

5. According to the Administration, it is projected that WKCDA will start to face operating deficit from 2017-2018. To provide WKCDA with the financial capability to operate sustainably and continue to develop the remaining planned facilities, the Administration has agreed to provide an enhanced financial arrangement for WKCD.

6. The Administration briefed the Joint Subcommittee in February 2017 on the enhanced financial arrangement. Under this arrangement, the Government will grant WKCDA the development rights of the entire hotel, office and residential ("HOR") portion of WKCD (involving 366 620 square metres of gross floor area) at nominal premium, where WKCDA will pay the Government upfront payments according to the financial arrangements to be specified in the Project Agreement to be signed by both parties. WKCDA will be allowed to develop the HOR facilities jointly with the private sector through open and competitive tenders and Build-Operate-Transfer arrangements, and share rental revenue from such facilities to sustain the operation of WKCD. The tenderers will need to indicate an upfront payment that they propose to pay given the tender conditions set by WKCDA and that payment will be attributable to the Government.

7. Members of the Joint Subcommittee expressed various concerns, such as how the Administration could ensure that WKCDA would be provided with sufficient but not excessive resources, and that tendering of the HOR development packages would be conducted in an open and competitive manner, etc. The Administration undertook to brief the Joint Subcommittee on the aforesaid Project Agreement to be signed by the Government and WKCDA before both parties entered into it. The Joint Subcommittee will need to monitor the implementation of the enhanced financial arrangement.

The Hong Kong Palace Museum Project

8. On 23 December 2016, WKCDA announced the signing of a Memorandum of Understanding of Cooperation ("MOU") between WKCDA and the Palace Museum in Beijing to launch a new museum in WKCD with long-term loans from the Palace Museum. Under this special arrangement, the Hong Kong Palace Museum ("HKPM") will be established by WKCDA as a new focal point of WKCD for displaying the visual culture of historical Chinese art from the imperial courts. The Hong Kong Jockey Club Charities Trust had agreed to donate \$3.5 billion to fund the capital cost of the proposed project, covering design, construction and exhibition development cost. WKCDA conducted a public consultation exercise from 11 January to 8 March 2017 to collect public views on the proposed HKPM project.

9. In May 2017, the Administration and WKCDA briefed the Joint Subcommittee on the outcome of the public consultation exercise. According to the report on the public consultation exercise prepared by the consultation consultant ("the Report"), the result of a public opinion poll on the proposed HKPM project indicates that 52.0% of the public are supportive of the development of the project and 14.7% are not supportive. WKCDA advised that the Board of WKCDA, having carefully considered the Report and the responses of WKCDA on the issues raised, had accepted the Report on 9 May 2017, and agreed to take the HKPM project forward by preparing the Collaborative Agreement which is to be signed by the Palace Museum and WKCDA within six months after the signing of MOU.

10. Members of the Joint Subcommittee raised various views and concerns on the project. They suggested that the Administration should discuss the implementation of the HKPM project with the Joint Subcommittee and seek public views on it.

11. The site for the HKPM project is part of the site originally reserved for the co-located Mega Performance Venue ("MPV") and Exhibition Centre ("EC"). According to a press release of WKCDA issued on 5 September 2016, the Board of WKCDA noted the further findings of a review on the possible development of MPV and EC sharing a site, in particular its business viability in the light of relevant government policies and the market environment, and came to the view that the original proposal to build an MPV in WKCD was no longer a suitable proposition. In May 2017, WKCDA provided four consultancy study reports related to the development of MPV and EC to the Secretariat for LegCo Members' perusal on a confidential basis and with some information in the reports

redacted. At the meeting of the Joint Subcommittee on 29 May 2017, some members expressed dissatisfaction with the perusal arrangement and requested the Administration to work out with WKCD an improved arrangement. The Administration/WKCD has yet to give a response and propose an alternative arrangement.

The Artist Square Bridge

12. In April 2017, the Administration sought the Joint Subcommittee's support for a funding proposal for carrying out the second construction package of public infrastructure works for WKCD. The package included the construction of the main section of a covered footbridge (namely, the Artist Square Bridge) of about 69 metres long and with a clear width of about 7 metres, spanning across Austin Road West linking the southern footpath of Austin Road West and the existing development above the MTR Kowloon Station. The construction cost of the main section of the Bridge was estimated to be \$290 million in September 2016 prices. Members expressed grave concern on the high construction cost of the Bridge. The Administration undertook to provide an alternative option for the Subcommittee's consideration.

Proposed extension of period of work

13. Rule 26(c) of the House Rules ("HR") provides that a subcommittee should complete its work within 12 months of its commencement and report to the relevant Panel(s). If it is necessary for a subcommittee to work beyond 12 months, it should, after obtaining the endorsement of the relevant Panel(s), report to the House Committee and give justifications for an extension of the period of work.

14. Given the monitoring role of the Joint Subcommittee, its work ties in with the progress of the Administration and WKCD in taking forward the implementation of the WKCD project. At the meeting of the Joint Subcommittee on 13 June 2017, members agreed to seek an extension of its work period for 12 months, i.e. up to 22 November 2018. The Joint Subcommittee's proposal has been endorsed by DEV Panel and HA Panel by circulation of papers.

Advice sought

15. Pursuant to HR 26(c), Members are invited to note the progress of work of the Joint Subcommittee and endorse the Joint Subcommittee's proposal to extend its work period for 12 months.

Council Business Division 1
Legislative Council Secretariat
6 July 2017

Panel on Development and Panel on Home Affairs

**Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project**

Terms of Reference

To monitor issues relating to the implementation of the West Kowloon Cultural District project, including the work of the West Kowloon Cultural District Authority, the project's interface with arts and cultural development, and other related matters.

Panel on Development and Panel on Home Affairs

**Joint Subcommittee to Monitor the Implementation of
the West Kowloon Cultural District Project**

Membership list

Chairman Hon LAU Kwok-fan, MH

Deputy Chairman Hon Tanya CHAN

Members Hon Abraham SHEK Lai-him, GBS, JP
Hon LEUNG Kwok-hung
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Dr Hon Helena WONG Pik-wan
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP (up to 28 November 2016)
Dr Hon Junius HO Kwan-yiu, JP
Hon Holden CHOW Ho-ding
Hon Wilson OR Chong-shing, MH
Hon CHEUNG Kwok-kwan, JP
Dr Hon YIU Chung-yim
Dr Hon LAU Siu-lai

(Total: 18 members)

Clerk Ms Sharon CHUNG

Legal Adviser Miss Evelyn LEE

立法會
Legislative Council

LC Paper No. CB(2)1816/16-17

Ref : CB2/HS/1/16

Paper for the House Committee meeting on 7 July 2017

Continuation of work of the Subcommittee on Retirement Protection

Purpose

This paper reports on the progress of work of the Subcommittee on Retirement Protection ("the Subcommittee"), and the need for continuation of its work in the 2017-2018 session.

Background

2. The Subcommittee was appointed by the House Committee on 28 October 2016 to study issues relating to the retirement life of all people, and to follow up on the proposal of setting up and implementation of universal retirement protection for all people in Hong Kong. According to its terms of reference and work plan, the Subcommittee would focus its work on the following major issues:

- (a) review of the existing retirement protection model and its effectiveness, including the social security system and the Mandatory Provident Fund ("MPF") system;
- (b) the feasibility of setting up and implementation of universal retirement protection for all people in Hong Kong; and
- (c) way forward on the provision of retirement protection and those related to the livelihood in the light of an ageing population in Hong Kong.

3. The terms of reference and membership of the Subcommittee are set out in **Annexes I and II** respectively.

Progress of work of the Subcommittee

4. The Subcommittee has since November 2016 held six meetings with the Administration and received views of deputations at three of these meetings. The Subcommittee has studied the following major issues:

- (a) efficacy of the existing three-pillar model for retirement protection;
- (b) key features of and financial arrangements for the proposed models on retirement protection put forward by various community organizations and political parties;
- (c) the latest development of the public engagement exercise on retirement protection;
- (d) policy initiatives relating to retirement protection in the Chief Executive's 2017 Policy Address; and
- (e) Administration's proposal of progressive abolition of the "offsetting" arrangement under the MPF system.

Need for continuation of work in the 2017-2018 session

Major work ahead

Policy directions on retirement protection

5. In the 2017 Policy Address, the Administration stated that it had devised a package of measures to strengthen each of the existing retirement protection pillars with the following policy directions:

- (a) strengthening the social security pillar so that it could perform well the function of a safety net;
- (b) improving the public services pillar, in particular to help elderly persons meet their medical expenses;
- (c) enhancing the MPF pillar to maximize the protection for employees, including abolishing the "offsetting" arrangement progressively; and

- (d) making the voluntary savings pillar more assured.

6. The Subcommittee was briefed on the details of the above policy directions at its meeting on 7 February 2017. Members expressed various concerns. Some members welcomed the Administration's proposed measures. These members considered that a non-means-tested retirement protection system would be financially unsustainable, and that the adoption of "those with financial needs" principle could direct public resources to help the elderly most in need.

7. Some other members, however, were of the view that the Administration could hardly address the public aspiration for enhancing retirement protection for elderly persons by merely strengthening each of the existing pillars. These members strongly urged the Administration to adopt the "regardless of rich and poor" principle to implement a non-means-tested universal retirement protection system with tripartite contributions from the Government, employers and employees so as to ensure that the elderly could lead a dignified and financially-secured life in their twilight years. In this connection, the Subcommittee held another meeting in April 2017 to receive views from academics and community organizations on the financial arrangements for various non-means-tested retirement protection proposals put forward by these community organizations. The Subcommittee will need to further examine the feasibility of implementation of a non-means-tested universal retirement protection system for Hong Kong.

Abolishing the "offsetting" arrangement progressively

8. On 23 June 2017, the Government announced that the proposal of progressively abolishing the "offsetting" arrangement should be affirmed and that the Government's original proposal with the following key features should be adopted as the basis for taking the matter forward:

- (a) "offsetting" would be abolished as from an Effective Date with no retrospective effect. In other words, accrued benefits from employers' mandatory MPF contributions before the Effective Date and the returns derived could be used to offset the severance payment ("SP")/long service payment ("LSP") payable for the employment period before the Effective Date;

- (b) the amount of SP or LSP payable for the employment period from the Effective Date would be adjusted downwards from the existing entitlement of two-thirds of the last month's wages to half of the last month's wages as compensation for each year of service; and
- (c) the Government would share part of the SP/LSP expenditure of employers in the 10 years from the Effective Date, and the estimated one-off expenditure would be \$7.9 billion.

9. The Subcommittee discussed and received views from deputations on the above Administration's proposals at its meeting on 24 June 2017. Members expressed diverse views on the proposals. Some members pointed out that the business sector, especially the small and medium enterprises ("SMEs"), opposed to the Administration's proposal to progressively abolish the "offsetting" of SP or LSP with MPF contributions, having regard to the fact that the "offsetting" arrangement was a consensus reached after extensive consultation in enacting the MPF legislation. Moreover, employers would have to set aside dedicated fund for SP or LSP after the abolition of the "offsetting" arrangement. This would give a severe blow to the operation of SMEs and would result in immediate dismissal of employees for subsequent re-employment under new contracts. While noting that the Administration proposed to provide 10 years' government subsidy for employers on a reimbursement basis in order to share part of the expenses on SP or LSP, some members considered that the Government should set up a fund to help employers meet the long-term commitment for extra expenses on SP and LSP.

10. Some other members expressed concern that under the Administration's proposals, employers would only retain employees with less than five years' service so as to evade the statutory obligations to pay LSP to the employees concerned. These members strongly opposed to the proposal to revise the formula for calculation of SP and LSP entitlement for dismissed employees from two-thirds of last month's wages to half of the last month's wages as compensation for each year of service.

11. Members generally considered that the next-term Government should take heed of the strong dissenting views of both the business and labour sectors and revisit the proposals. The Subcommittee will need to follow up the matter with the next-term Government which has just assumed office on 1 July 2017.

Proposed extension of period of work

12. Rule 26(c) of the House Rules provides that a subcommittee should complete its work within 12 months of its commencement and report to the House Committee. If it is necessary for a subcommittee to work beyond 12 months, the subcommittee should report to the House Committee and give justifications for an extension of the 12-month period.

13. The work of the Subcommittee ties in with the progress of the Administration's work on taking forward the retirement protection scheme. Having regard to the major issues which need to be deliberated or followed up by the Subcommittee as set out in paragraphs 7 and 11 above, the Subcommittee considers it necessary to continue its work in the 2017-2018 session.

Advice sought

14. Pursuant to rule 26(c) of the House Committee, Members are invited to note the progress of work of the Subcommittee and endorse the proposal to extend the period of its work and continue to operate in the 2017-2018 session (i.e. until 30 September 2018).

Council Business Division 2
Legislative Council Secretariat
6 July 2017

Subcommittee on Retirement Protection

Terms of reference

To study issues relating to the retirement life of all people, and to follow up on the proposal of setting up and implementation of universal retirement protection for all people in Hong Kong.

Subcommittee on Retirement Protection

Membership list*

Chairman	Hon KWOK Wai-keung, JP
Deputy Chairman	Hon Jimmy NG Wing-ka, JP
Members	Hon LEUNG Yiu-chung Hon Tommy CHEUNG Yu-yan, GBS, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon Starry LEE Wai-king, SBS, JP Hon WONG Kwok-kin, SBS, JP Hon Paul TSE Wai-chun, JP Hon LEUNG Kwok-hung Hon YIU Si-wing, BBS Hon CHAN Chi-chuen Hon LEUNG Che-cheung, SBS, MH, JP Hon Alice MAK Mei-kuen, BBS, JP Dr Hon KWOK Ka-ki Dr Hon Fernando CHEUNG Chiu-hung Hon POON Siu-ping, BBS, MH Dr Hon CHIANG Lai-wan, JP Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon Alvin YEUNG Hon Andrew WAN Siu-kin Hon CHU Hoi-dick Dr Hon Junius HO Kwan-yiu, JP Hon HO Kai-ming Hon SHIU Ka-fai Hon SHIU Ka-chun Hon HUI Chi-fung Hon LUK Chung-hung Hon KWONG Chun-yu Hon Nathan LAW Kwun-chung Dr Hon LAU Siu-lai
	Total : 30 members
Clerk	Miss Betty MA
Legal Adviser	Miss Rachel DAI

* Changes in membership are shown in Enclosure to Annex II.

Enclosure to Annex II

Subcommittee on Retirement Protection

Changes in membership

Member	Relevant date
Hon CHAN Han-pan, JP	Up to 25 January 2017
Hon Mrs Regina IP LAU Suk-ye, GBS, JP	Up to 27 April 2017