

**立法會**  
*Legislative Council*

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**Finance Committee of the Legislative Council**

**Minutes of the 6<sup>th</sup> meeting  
held at the Legislative Council Chamber  
on Friday, 7 January 2000, at 2:30 pm**

**Members present:**

Hon Ronald ARCULLI, JP (Chairman)  
Hon CHAN Kam-lam (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon James TIEN Pei-chun, JP  
Hon David CHU Yu-lin  
Hon HO Sai-chu, SBS, JP  
Hon Cyd HO Sau-lan  
Hon Edward HO Sing-tin, SBS, JP  
Hon Albert HO Chun-yan  
Hon Michael HO Mun-ka  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon LEE Wing-tat  
Hon Martin LEE Chu-ming, SC, JP  
Hon Eric LI Ka-cheung, JP  
Hon LEE Kai-ming, SBS, JP  
Dr Hon David LI Kwok-po, JP  
Hon Fred LI Wah-ming, JP  
Dr Hon LUI Ming-wah, JP  
Hon NG Leung-sing  
Prof Hon NG Ching-fai  
Hon Margaret NG  
Hon Mrs Selina CHOW LIANG Shuk-ye, JP  
Hon MA Fung-kwok  
Hon James TO Kun-sun  
Hon CHEUNG Man-kwong  
Hon HUI Cheung-ching  
Hon Christine LOH

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Hon CHAN Kwok-keung  
Hon CHAN Yuen-han  
Hon Bernard CHAN  
Hon CHAN Wing-chan  
Hon Mrs Sophie LEUNG LAU Yau-fun, JP  
Hon LEUNG Yiu-chung  
Hon Gary CHENG Kai-nam, JP  
Hon SIN Chung-kai  
Hon Andrew WONG Wang-fat, JP  
Dr Hon Philip WONG Yu-hong  
Hon Jasper TSANG Yok-sing, JP  
Hon Howard YOUNG, JP  
Dr Hon YEUNG Sum  
Hon YEUNG Yiu-chung  
Hon LAU Chin-shek, JP  
Hon LAU Kong-wah  
Hon LAU Wong-fat, GBS, JP  
Hon Mrs Miriam LAU Kin-ye, JP  
Hon Ambrose LAU Hon-chuen, JP  
Hon Emily LAU Wai-hing, JP  
Hon CHOY So-yuk  
Hon Andrew CHENG Kar-foo  
Hon SZETO Wah  
Hon Timothy FOK Tsun-ting, SBS, JP  
Hon LAW Chi-kwong, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon FUNG Chi-kin  
Dr Hon TANG Siu-tong, JP

**Members absent:**

Hon LEE Cheuk-yan  
Dr Hon LEONG Che-hung, JP  
Hon WONG Yung-kan

**Public officers attending:**

Mr Martin GLASS, JP	Deputy Secretary for the Treasury
Mr K K LAM	Principal Executive Officer (General), Finance Bureau
Mr Raymond WONG, JP	Deputy Secretary for Security
Mr FOO Tsun-kong	Regional Commander Marine, Hong Kong Police Force
Mr LEE Ping-kuen	Assistant Director of Marine

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Mr LUK Yun-lam	Senior Maintenance Manager, Marine Department
Miss Yvonne CHOI, JP	Deputy Secretary for Trade and Industry
Miss Shirley YUEN	Principal Assistant Secretary for Trade and Industry
Mr Richard LUK	Principal Assistant Secretary for Economic Services
Mr Alex AU	Director of Civil Aviation
Mr Norman LO	Assistant Director of Civil Aviation
Ms Anissa WONG, JP	Deputy Secretary for the Civil Service
Mr Thomas CHAN	Principal Assistant Secretary for the Civil Service

**Clerk in attendance:**

Ms Pauline NG	Assistant Secretary General 1
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**Staff in attendance:**

Miss Polly YEUNG	Chief Assistant Secretary (1)3
Ms Sarah YUEN	Senior Assistant Secretary (1)4

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**Item No. 1- FCR(1999-2000)55**

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE  
MADE ON 8 DECEMBER 1999 AND 15 DECEMBER 1999**

The Committee approved the proposal.

**Item No. 2 - FCR(1999-2000)56**

**HEAD 122 - HONG KONG POLICE FORCE**

**◆ Subhead 603 Plant, vehicles and equipment**

**New Item “Two dumb lighters and six high-speed interceptors for Marine Police Region”**

2. On the functions of the two dumb lighters, the Deputy Secretary for Security (DS(S)) advised that the dumb lighters would be positioned at Deep Bay to provide a stable radar and command platform and a base for small high-speed boats tasked to intercept suspicious targets in the shallow water.

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3. In response to Mr Kenneth TING's concern about the effectiveness of interceptors with a top speed of 35 knots in performing their intercepting functions, DS(S) confirmed that according to information from the Police, suspicious high-speed sampans with a top speed of 60 to 70 knots usually would not operate in the shallow water of Deep Bay and hence, the use of the proposed interceptors with a top speed of 35 knots would suffice.

4. The Committee approved the proposal.

**Item No. 3 - FCR(1999-2000)57**

**HEAD 152 - GOVERNMENT SECRETARIAT :  
TRADE AND INDUSTRY BUREAU**

◆ **New Subhead "Honoraria for members of committees"**

5. Mr LEE Kai-ming queried the rationale for remunerating only the Chairman and Deputy Chairmen of the Review Body on Bid Challenges (the Review Body) but not its remaining nine members, bearing in mind that input from the members was also required when inquiring into a challenge. He considered that this arrangement might be incompatible with the Government's declared principle that it would not acquire services from highly qualified, professional persons at an unreasonably low fee.

6. Mrs Selina CHOW and Mr Andrew WONG shared Mr LEE's concern and considered that the principle for remunerating non-official members serving on committees set up by the Government was ambiguous, haphazard and inconsistent and should be reviewed. As far as the Review Body in question was concerned, Mrs CHOW pointed out that if the Administration was not engaging the professional service of the members concerned but appointing them as a form of public service, it appeared illogical that only the Chairman and Deputy Chairmen should be granted an honorarium as all members alike were rendering their service.

7. In response, the Deputy Secretary for Trade and Industry (DS(TI)) said that membership of the Review Body would usually be regarded as a form of public service and persons accepting the appointment as members were fully aware that they would not be remunerated for their service. She further explained that based on operational experience of the past year, the major tasks of the Review Body would be conducted or closely guided by the Chairman. The level of input required of the other members would be relatively low. Whilst the Chairman and Deputy Chairmen had to be legally qualified, the remaining members were not required to possess legal knowledge. Reference had also been made to the existing arrangements of comparable bodies including the Appeal Board Panel (Town Planning) and the Appeal Board (Air Pollution Control) in which cases only the Chairmen and Deputy Chairmen

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were granted honoraria. Moreover, the Administration had not received any request for honoraria from members of the Review Body.

8. Mrs CHOW did not accept the Administration's explanation. She opined that lay members had been appointed by the Administration to provide a suitable membership mix for the Review Body and this should not constitute a reason for not remunerating the lay members for their service. She commented that drawing reference to existing practice did not necessarily render the existing practice reasonable. In her view, a more equitable arrangement would be to grant honoraria to both the Chairman and members but at a rate commensurate with the different levels of responsibilities and commitments.

9. Mr Gary CHENG Kai-nam informed members that as a member of the Independent Police Complaints Council, he received a monthly honorarium of \$1,960. He pointed out that different bases were being adopted for determining the payment of honoraria to non-official members of different committees and considered that the subject should be reviewed in its entirety, not only in relation to the Review Body in question. Dr LUI Ming-wah also shared the view that an overall review of the current arrangements should be conducted.

10. Noting that when one of the Deputy Chairmen stood in as acting Chairman, he would only be remunerated at 50% of the rates for the Chairman, Mr Andrew WONG queried the fairness of this arrangement bearing in mind that the Deputy Chairman, though less qualified, was required to perform the full duties of the Chairman. He stated that he would support the present proposal if the acting Chairman would be remunerated at the same rate as the substantive Chairman. He suggested that a more equitable arrangement would be to pay an annual honorarium to the Chairman and to remunerate the acting Chairman at the same rate but on a job basis for the work undertaken.

11. Mr James TIEN also queried the differential rates of honoraria for the Chairman and Deputy Chairman (acting Chairman). He was also concerned about the substantial increase in payment in the event of an upsurge in caseload since remuneration for the Chairman of the Review Body was hourly rated. He considered a fixed annual fee more preferable under such circumstances and enquired about the rationale for proposing the hourly rated payment and the basis for deciding on the number of hours spent on a case for which honoraria was payable.

12. Miss Margaret NG also enquired whether there were other review bodies where similar to the Review Body, only the Chairman was remunerated on an hourly basis. She also sought information on the arrangements for the Appeal Board Panel (Town Planning) the Chairman of which was a former High Court Judge and who was specifically entrusted with the task of preparing

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the Panel's rulings.

13. In response, DS(TI) advised that in proposing a lower rate for the acting Chairman, reference had been made to the arrangement for comparable review bodies, and the difference in qualifications, experience and status between the Chairman and Deputy Chairmen had also been taken into account.

14. On the suggestion of payment of an annual honorarium, DS(TI) pointed out that in the past year, the Chairman of the Review Body had only spent five hours in processing a case and about \$30,000 was paid to him. She confirmed that the mode of payment on an hourly basis was not determined upon the request of the Chairman of the Review Body. As the Administration did not envisage a sharp rise in the number of challenges and in the light of the experience last year, it would be more appropriate to remunerate the Chairman on an hourly basis. The award of an annual retainer fee at the prevailing rate could work out to be in the region of \$80,000. DS(TI) further advised that the time spent by the Chairman on perusing papers, deciding whether there was a prima facie case and preparatory work for hearings would count towards the hours for which remuneration was payable. The number of service hours was reported by the Chairman himself.

15. DS(TI) confirmed that the Chairman of the Review Body would also be responsible for preparing the rulings and convening all the hearings. The Chairman of the Appeal Board Panel (Town Planning) was awarded an annual retainer fee of \$86,520. In addition, he was also paid \$4,440 for every two-hour sitting and \$8,870 for each ruling. The annual retainer fee for the Deputy Chairman was \$57,650 and the remaining 40 members did not receive any remuneration. There were similar arrangements for the Appeal Board (Air Pollution Control).

16. Mr Edward HO sought information on the time spent by the Chairman/Deputy Chairmen and the members of the Review Body on handling cases. In reply, DS(TI) informed members that in 1999, the Review Body had only received two complaints. The Chairman spent two hours in concluding the first case as it was outside the purview of the Review Body. The second case was subsequently withdrawn by the complainant and the Chairman spent 5½ hours in processing it. As the Chairman had decided on these cases, no Panel meeting involving the other members had been convened. As the complaints were to be considered by the Chairman first to see if a prima facie case did exist, the Administration anticipated that the time required of the other members should be considerably less. In view of the requirement to handle complaints in a timely manner, the Trade and Industry Bureau (TIB) considered it reasonable to assume that the Chairman would spend an average of 20 hours on each case.

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17. Mr Kenneth TING enquired about the basis for pitching the honorarium at an hourly rate between \$4,000 and \$5,000 for the Chairman and how the proposed rate compared with that of similar review bodies overseas. In response, DS(TI) advised that in setting the hourly rate, reference had been made to the fees for engaging outside legal professionals by the Government. The proposed hourly rate of \$4,000 to \$5,000 was halfway between the rates payable for the service of senior counsel and counsel. DS(TI) agreed to obtain information on the level of remuneration for chairpersons of comparable review bodies overseas and advise members in writing.

18. On the chairmanship, DS(TI) confirmed that TIB was responsible for finding the Chairman and it was the Administration's intention to re-appoint the incumbent Chairman, Mr Neil Kaplan. DS(TI) further said that in appointing the Chairman, TIB had also sought advice from the Department of Justice as it was essential that the Chairman should possess legal credentials of the highest standard and relevant experience in international commercial arbitration.

19. Mrs Selina CHOW expressed her reservation about the existing operational arrangement whereby the Chairman alone, instead of a Panel of the Review Body, was charged with deciding whether there was a prima facie case to support a challenge. To address various concerns raised at this meeting, she proposed that consideration of the present proposal be deferred for further discussion by the Trade and Industry Panel at its next meeting on 11 January 2000.

20. In reply to the Chairman, DS(TI) said that the Administration would appreciate Finance Committee's (FC's) early approval of the present proposal in order that it could offer appointment to the Chairman and Deputy Chairmen of the Review Body. Regarding consultation with Panel, DS(TI) pointed out that although the present proposal, which was about payment of honoraria, had not been discussed at the Panel, a general paper on the outcomes of the Uruguay Round of multilateral negotiations which included the World Trade Organization Agreement on Government Procurement (WTO GPA) had been circulated to Legislative Council Members earlier on and she undertook to provide members with a more detailed paper on Hong Kong's obligations under the WTO GPA should members find it useful. She also explained that the current operation of the Review Body had to follow the procedures prescribed under the WTO GPA. Upon receipt of a complaint, the Chairman had to decide whether a prima facie case existed. If so, he would have to select two other members to convene a Panel and conduct hearings. The Panel members would also have to peruse all the relevant papers and information.

21. Regarding members' concern about the rate of honoraria for the Deputy Chairman and whether the remaining members of the Review Body should also be remunerated, DS(TI) assured members that TIB would examine the

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22. Miss Margaret NG commented that as the operational arrangements of the Review Body had to comply with the requirements under WTO GPA, further discussion at the Trade and Industry Panel might provide members with more background information, but it might not be necessary to defer decision of the present proposal pending consultation with the Panel. Dr YEUNG Sum concurred and suggested that the present proposal be put to vote at this meeting.

23. Mr James TIEN however considered that as WTO GPA did not prescribe the manner under which the Chairman/Deputy Chairmen were to be remunerated, the Administration should not ask members to accept the present proposal by referring to the requirements under WTO GPA. He stated that unless members' concerns were adequately addressed, Members of the Liberal Party would not support the present proposal.

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24. Acknowledging members' concerns about the general principles for the payment of honoraria to non-official members serving on committees set up by the Government, the Chairman advised that whilst the Trade and Industry Panel could consider details of the present proposal, related policy issues should be examined separately, preferably by way of a subcommittee under the House Committee. He suggested that the matter be referred to the House Committee for considering whether a subcommittee should be formed to examine the broad principles on the granting of honoraria to Government boards and committees. Members agreed.

25. Mr CHAN Kam-lam, Chairman of the Trade and Industry Panel, suggested that the Administration should withdraw the proposal and re-submit it to FC after discussion with the Panel on 11 January 2000.

26. Noting members' views and concerns, the Deputy Secretary for the Treasury withdrew the proposal for further consultation with the Trade and Industry Panel on 11 January 2000.

**Item No. 4 - FCR(1999-2000)58**

**HEAD 28 - CIVIL AVIATION DEPARTMENT**

**◆ Subhead 002 Allowances**

27. Mr CHAN Wing-chan stated that he supported the present proposal. Noting the Administration's intention to assign relatively less demanding duties to four posts to be ranked at Senior Operations Officer level, Mr CHAN asked whether the entry requirements for Flight Operations Inspectors (FOIs) would in fact be lowered. He further enquired about the chance of recruiting suitable

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FOIs on this occasion given that two recruitment exercises conducted in July 1998 and March 1999 had not been fruitful.

28. In response, the Director of Civil Aviation (DCA) and the Assistant Director of Civil Aviation (AD(CA)) clarified that the entry qualifications for FOIs had not been lowered. The failure in the two recruitment exercises in 1998 and 1999 to recruit suitable FOI candidates was because the Civil Aviation Department (CAD) had imposed the highest flying qualification and experience requirements, which included training pilots and airline management. In the present proposal, there would be two ranks of FOIs. Four posts would be ranked at Senior Operations Officer level and remunerated at Master Pay Scale (MPS) Point 45 to 49. The post-holders would still be required to possess professional pilot licences, but unlike the FOIs who were remunerated at the Directorate Pay Scale Point 1 (D1), they would not be required to have relevant experience in training pilots and airline management. With such experience to be dispensed with, the Administration believed that recruitment difficulty would ease as the pool of qualified candidates would be larger.

29. Mr Howard YOUNG was concerned about the succession and retention problem which might arise from the splitting of FOIs into two ranks. He also enquired about the implications, if any, of the downward adjustment in wages of civil aviation personnel in March 1999 on future recruitment of FOIs.

30. In response, DCA said that upon approval of the present proposal, four FOIs would be remunerated at D1 level. He advised that the contracts of three of the serving FOIs would expire within 2001, the contracts of the remaining two FOIs would expire in September 2002 and January 2003 respectively. Upon expiry of their contracts and on transfer to the post of FOI at D1, the officers concerned would be employed on non-civil service contracts as consultants. DCA pointed out that FOIs at this level were mostly retirees from airlines or very experienced officers approaching retirement age. In the event that they left service, their vacancies could be filled by Senior Operations Inspectors (SOIs) who had attained the necessary experience for advancement. DCA confirmed that despite the downward salary trend in the civil aviation sector, the salary for pilots had not been lowered and civil pilots could receive a higher pay in commercial airlines than in CAD.

31. On the rate of flight allowance payable to the five incumbent FOIs, DCA informed members that since they were on MPS Point 49, the allowance payable was \$10,135, being the difference between MPS Point 49 and D1. In reply to Mr Kenneth TING, DCA confirmed that the present proposal would be the last time that FC's approval was sought to retain the flight allowance for the five incumbent FOIs for a further period from 28 January 2000 until completion of their existing contracts with CAD. Thereafter, FOIs would be recruited according to the criteria as described in aforesaid paragraphs.

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32. Noting that the four SOIs would be assigned relatively less demanding duties, Miss Emily LAU asked whether this arrangement was conducive to localising the Flight Operations Inspectorate in the long term as the more demanding duties were still undertaken by the FOIs. She also did not see an urgent need for localisation. In this connection, the Chairman sought clarification on whether the SOIs could eventually meet the pre-requisites for advancement, such as in terms of the 5 000 hours of air transport pilot-in-command experience.

33. In response, DCA and AD(CA) pointed out that the duties assigned to SOIs were also very important, though less demanding than those of the FOIs. For example, the SOIs would not be required to examine persons for appointment as "authorised examiners". The SOIs would be given ample opportunities to take up higher-level duties. AD(CA) further remarked that as training of local pilots had only taken place in Hong Kong in the past 10 years or so, it was too early to forecast when the Inspectorate could be completely localised. DCA also confirmed that air transport pilot-in-command experience was already an entry requirement for SOIs. CAD would also make arrangements with Cathay Pacific and Dragonair to enable SOIs to acquire the requisite hours of experience on jet aircraft for purposes of advancement.

34. The Committee approved the proposal.

**Item No. 5 - FCR(1999-2000)59**

**PENSIONABLE PERSONAL ALLOWANCE**

35. Referring to recent media reports about a retired High Court Judge's intention to sue the Government for loss in pension benefits, Miss Emily LAU asked whether the present proposal had been put forward as a result of the Judge's intended legal action.

36. In response, the Deputy Secretary for the Civil Service (DS(CS)) recapitulated that the purpose of the present proposal was to seek FC's approval for the continued grant of a pensionable personal allowance to officers on pensionable terms at Directorate Pay Scale Point 3 and above or equivalent who retired after 1 April 1999 and thus were affected by the civil service pay freeze in 1999-2000. She acknowledged that prior to the submission of the present proposal, individual officers might be concerned about whether or not the grant of the pensionable personal allowance in question would continue in 1999-2000. DS(CS) nevertheless confirmed that the Administration had decided to put up the present proposal on consideration of the need for equity and consistency in policy and that the proposal was not submitted in response to the media report on the retired Judge's intended legal action.

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37. The Committee approved the proposal.
38. The Committee was adjourned at 4:00 pm.

Legislative Council Secretariat

31 March 2000