

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 11th meeting
held at the Legislative Council Chamber
on Friday, 12 May 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
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Wing-tat
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Hon LEE Kai-ming, SBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon NG Leung-sing
Prof Hon NG Ching-fai
Hon MA Fung-kwok
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching
Hon Christine LOH
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
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, JP
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Mrs Miriam LAU Kin-yee, 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 Michael HO Mun-ka
Dr Hon David LI Kwok-po, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, JP
Dr Hon LEONG Che-hung, JP
Dr Hon Philip WONG Yu-hong
Hon YEUNG Yiu-chung

Public officers attending:

Miss Denise YUE, JP	Secretary for the Treasury
Mrs Carrie LAM, JP	Deputy Secretary for the Treasury
Mrs Margaret CHAN	Principal Assistant Secretary for Education and Manpower
Mr Stanley Y H YING, JP	Senior Assistant Director of Education
Mrs Lesley Y C WONG	Assistant Director of Education (Funding Reform)

Mr M Y CHENG	Assistant Director of Education (Schools)
Ms Esther LEUNG	Principal Assistant Secretary for the Treasury
Mr K K MOK, JP	Assistant Commissioner of Rating and Valuation
Mr W S CHAN, JP	Deputy Secretary for Works
Mr Gordon CHO	Chief Assistant Secretary (Education and Training) of Works Bureau
Mr Thomas CHOW	Deputy Secretary for the Environment and Food
Mr Howard CHAN	Principal Assistant Secretary for the Environment and Food
Mr C W TSE	Assistant Director of Environmental Protection
Mr David H T LAN, JP	Secretary for Home Affairs
Mr Arthur NG, JP	Deputy Secretary for Home Affairs
Mr Jonathan MCKINLEY	Principal Assistant Secretary for Home Affairs
Mrs Maureen CHAN, JP	Deputy Head, Asian Games Bid Team
Mr Johnny WOO	Deputy Director of Leisure and Cultural Services
Mr K Y TANG, JP	Government Economist
Ms CHANG King-yiu, JP	Deputy Secretary for Security
Mr HSU King-ping, JP	Director of Fire Services
Mr TUNG Tung-san	Senior Divisional Officer, Fire Services Department
Mr CHAN Tze-ye	Chief Telecommunications Engineer of Office of the Telecommunications Authority
Mr LEE Jee-yin	Chief Systems Manager of Information Technology Services Department

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 Anita SIT	Senior Assistant Secretary (1)8

Item No. 1 - FCR(2000-01)7

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 19 APRIL 2000**

The Committee approved the proposal.

Item No. 2 - FCR(2000-01)8

HEAD 40 - EDUCATION DEPARTMENT

- ◆ Subhead 300 Code of Aid for primary schools
- ◆ Subhead 305 Code of Aid for secondary schools
- ◆ Subhead 320 Code of Aid for special schools
- ◆ Subhead 235 School extra-curricular activities, programmes, grants and prizes

New Recurrent Account Subhead "Subject and curriculum block grant for government schools"

2. The Committee approved the proposal.

Item No. 3 - FCR(2000-01)9

HEAD 162 - RATING AND VALUATION DEPARTMENT

- ◆ Subhead 106 Temporary staff

3. Mr CHAN Wing-chan, on behalf of Members of the Hong Kong Federation of Trade Unions, stated their objection to the present proposal as well as other similar proposals which sought to lower the starting salaries of civil service ranks. He also mentioned that it was also unfair to those current contract staff whose contracts were renewed at the lower salary rates as these new rates were only meant for new recruits.

4. In reply to Mr Chan's enquiry on any further similar proposals to be put to the Finance Committee (FC) for lowering the salaries or honoraria for new appointees, the Deputy Secretary for the Treasury (DS(Tsy)) confirmed that apart from the two proposals put before FC at this meeting and an earlier proposal FCR(1999-2000)65 relating to trainees under the Legal Trainee Scheme, there would not be further similar submissions.

5. The proposal was put to vote. 27 Members voted for the proposal, 3 members voted against and 1 member abstained:

For:

Mr Kenneth TING Woo-shou

Mr HO Sai-chu

Mr LEE Wing-tat

Dr LUI Ming-wah

Mr MA Fung-kwok

Mr CHAN Kam-lam

Mr Gary CHENG Kai-nam

Mr WONG Yung-kan

Mr Howard YOUNG

Mr David CHU Yu-lin

Mr Edward HO Sing-tin

Mr Fred LI Wah-ming

Mr NG Leung-sing

Mr HUI Cheung-ching

Mrs Sophie LEUNG LAU Yau-fun

Mr Andrew WONG Wang-fat

Mr Jasper TSANG Yok-sing

Dr YEUNG Sum

Mr LAU Kong-wah
Mr Ambrose LAU Hon-chuen
Mr SZETO Wah
Mr TAM Yiu-chung
Dr TANG Siu-tong
(27 members)

Mrs Miriam LAU Kin-yee
Mr Andrew CHENG Kar-foo
Mr LAW Chi-kwong
Mr FUNG Chi-kin

Against:

Mr LEE Cheuk-yan
Mr CHAN Kwok-keung
Mr CHAN Wing-chan
(3 members)

Abstention:

Mr LEE Kai-ming
(1 member)

6. The Committee approved the proposal.

Item No. 4 - FCR(2000-01)10

HEAD 56 - GOVERNMENT SECRETARIAT : PLANNING AND LANDS BUREAU AND WORKS BUREAU

◆ **Subhead 106 Temporary staff**

7. The Committee approved the proposal.

Item No. 5 - FCR (2000-01)11

HEAD 44 - ENVIRONMENTAL PROTECTION DEPARTMENT

◆ **Subhead 700 General other non-recurrent**

New Item "One-off grant to assist owners of pre-Euro diesel light vehicles to retrofit their vehicles with particulate traps"

8. Members were in full support of the development of new technologies and production of new devices to help reduce emissions from the existing diesel vehicle fleet. Questions however were raised on the present proposal in respect of the following:

- (a) whether the particulate traps for diesel light vehicles could be made available to the market for retrofitting without having to wait until December 2000 as proposed by the Administration;

- (b) in what way could the regular cleaning of particulate traps be carried out expediently without affecting the daily routines of the drivers/owners; and
- (c) the quality of the future product.

9. Mrs Miriam LAU expressed support for the proposal and informed members that the transport industry welcomed the use of particulate traps to mitigate the air pollution problem and had in fact subsidized the study undertaken by the Hong Kong Polytechnic University (HKPolyU) since 1996. However, Mrs LAU pointed out that the industry was very disappointed at the Administration's decision to proceed with tendering notwithstanding the successful trial of the low cost product developed by HKPolyU as this would delay the installation programme till December 2000. She queried the soundness of the proposed tendering arrangements in lieu of adopting for use the product developed by HKPolyU. Her concern was shared by the Chairman who asked whether it was possible to allow the vehicle owners to retrofit their vehicles with the said product first and then claim reimbursement later.

10. In response, the Deputy Secretary for the Environment and Food (DS(EF)) explained that upon funding approval, tenders would be invited in June 2000. An independent technical committee would be set up to assess the standards of the products proposed by the bidders in the following two to three months. Depending on the number of bids received, the technical committee might be able to complete the assessment in a shorter period of time. He assured members that the time-frame was only a conservative estimate and the Administration would make the best endeavours to expedite implementation. On the need to proceed with tendering, DS(EF) and the Assistant Director of Environmental Protection (AD(EP)) pointed out through competitive bidding, contractors in possession of the necessary technologies would be given an opportunity to offer their products and vehicle owners would have a wider choice. Moreover, the Administration would be able to ascertain the level of grant having regard to the bid prices.

11. In reply to Mr TSANG Yok-sing, DS(EF) advised that the estimated cost of around \$1,000 and the installation cost of around \$200 each were the indicative costs based on the low cost particulate trap developed by HKPolyU. The actual cost to be reimbursed to the authorized contractors would depend on the tender outturn price.

12. Mr Kenneth TING echoed the need for early retrofitting and cautioned that the cost borne by the community for delayed improvement in air quality would be even greater. Mr David CHU Yu-lin also urged that the air pollution problem should be dealt with as expeditiously as possible by adopting the product already developed by HKPolyU instead of going through the lengthy

tendering process.

13. Mr James TIEN enquired whether consideration could be given to inviting tenders for the particulate traps on the basis of the technical specifications already developed and tested by HKPolyU. Dr LUI Ming-wah expressed a similar view and believed that the ultimate price would likely be lower than HKPolyU's estimated cost.

14. In response, DS(EF) stressed that competitive bidding would put public funds to the most effective use and provide a greater choice to users. The Administration also believed that a more extensive network of product providers would help accelerate the retrofitting exercise. To avoid giving an unduly favourable edge to HKPolyU which might also bid for the contract, the Administration considered it inappropriate to invite tenders on the basis of its product specifications. Besides, HKPolyU had only developed the product but it was not the manufacturer of the product. Members noted the Administration's position that it would not proceed with the project on the basis of one single approved model.

15. Miss CHOY So-yuk shared members' concern about early retrofitting and enquired whether the proposed substantial increase in fine for smoky vehicles to be implemented in December 2000 would affect those vehicles not yet retrofitted with the authorized particulate traps by that time. To prevent the vehicle owners from committing an offence, she suggested that they should be allowed to install particulate traps as soon as possible and be reimbursed later at a rate not exceeding the tender outturn price. Miss Emily LAU was also concerned about whether the proposed installation of particulate traps would tie in with the introduction of heavier penalties so that vehicle owners would be less liable to committing offences.

16. In response, DS(EF) reiterated that if the vehicle owners were allowed to freely install particulate traps prior to the outcome of tendering, the Administration would not be in a position to ascertain whether the traps so retrofitted were up to the requisite standards. As regards the penalty for smoky vehicles, DS(EF) clarified that the particulate trap could reduce up to 30% of the particulate emissions. However, if the vehicle was not properly maintained, its smoke emission would still exceed the acceptable standard notwithstanding being retrofitted with such traps.

17. Mr Edward HO agreed that the particulate traps must pass the requisite technical standards before they could be made available to users. However, he considered that the Administration could easily obtain price information from the market. He commented that the proposed tendering was not serious tendering as the Administration had no intention to procure the product but just to obtain the price quotations which might turn out to be different from the actual sale prices when the products were launched. Mr Andrew WONG

concurred with Mr HO that the proposed tendering arrangements would not serve a very useful purpose.

18. In response, DS(EF) confirmed that contracts would be awarded to tenderers whose products met the necessary requirements. However, he pointed out that in determining a reasonable level of the grant, reference must be made to the lowest tender outturn price instead of relying on market prices which fluctuated from time to time. He re-assured members that the Administration would try its best to shorten the tendering process and expedite implementation of the scheme.

19. In response to members' concerns, the Secretary for the Treasury (S for Tsy) explained the Administration's position from two perspectives. Firstly, to ensure the cost-effective use of public funds, the Administration considered it necessary to go through open tendering instead of relying solely on the cost estimates proposed by HKPolyU in determining the level of one-off grant for retrofitting the particulate traps. Secondly, the Administration would consider adopting an open-ended list of "recognized contractors" as long as their products could pass the assessment by the technical committee.

20. Mrs Miriam LAU stressed the importance of the effectiveness and reliability of the future product as installation of particulate traps would be one of the pre-requisites for licence renewal. She was concerned about the consistency in quality of the future product if the Administration would adopt an open-ended list of product suppliers. She pointed out that the Administration might consider buying the patent right from HKPolyU for wider use of its product pending the vetting of other proposed designs by the technical committee. On quality assurance, Professor NG Ching-fai said that the independent technical committee had a duty to evaluate the proposed products to ensure their technical standard.

21. Mr LAW Chi-kwong expressed support for the present proposal but was concerned about the availability of practicable support services such as trap replacement and cleaning. He referred to a previous suggestion by the Democratic Party (DP) to make available spare filters at major filling stations for the use of drivers/vehicle owners who could then leave their traps behind for cleaning by workers from sheltered workshops. Miss Emily LAU shared Mr LAW's view and considered that the Administration should explore ways to relieve drivers/car owners of the inconvenience arising from installation of the traps.

22. In response, DS(EF) confirmed that the authorized contractors would be required to provide a warranty period during which faulty traps would be replaced free of charge. Besides, the contractors had to provide cleaning facilities either at their own workshops or in collaboration with filling stations. AD(EP) further advised that according to the findings of the trial conducted by

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the Environmental Protection Department and HKPolyU on the product developed by the latter, the participating drivers and vehicle owners supported the use of particulate traps and had not reported serious difficulties in cleaning. DS(EF) nevertheless agreed to take into consideration Mr LAW's suggestion in future negotiation with the contractors concerned.

23. Mr CHAN Wing-chan supported the proposal in principle and enquired on the cleaning methods and ways to dispose the effluent after trap cleaning. In reply, AD(EP) confirmed that one of the methods developed from the trial was by way of a sand bed through which the effluent would be filtered and treated to a level suitable for disposal into foul sewers. While the vehicle was in motion, cleaning could also be done by soaking the trap in a container of water mixed with a small amount of detergent.

24. On the serviceable lifespan of the particulate traps, DS(EF) advised that based on the product developed by HKPolyU, the traps could last for three to five years, depending on the maintenance. Members noted that the grant in question would be one-off in nature and the vehicle owners would be responsible for the costs of retrofitting subsequent traps. Dr LUI Ming-wah doubted the effectiveness of the proposal in tackling the air pollution problem as the drivers/car owners might remove the particulate trap altogether.

25. In response, DS(EF) pointed out the Administration would keep in view the progress of installation and propose legislative amendments in due course to make installation of particulate traps a pre-requisite for the renewal of licence for pre-Euro diesel light vehicles. In this connection, the Chairman commented that apart from enforcement by the Government, the environmental awareness of drivers was also important in improving the air quality.

26. In reply to Mr Fred LI's question on measures to reduce particulate emissions from diesel vehicles of over four tonnes, DS(EF) advised that for medium and heavy vehicles, the Administration would identify the most suitable catalysts for their use having regard to the findings of the trial of diesel catalysts and a similar one-off grant would be provided.

27. Miss Christine LOH pointed out that there were other devices such as magnets and additives to deal with the emission problems of diesel vehicles and suggested that instead of adopting particulate traps as the only solution, consideration might be given to allowing vehicle owners to adopt the most appropriate method to tackle the problem. In response, DS(EF) said that the present proposal was targeted at particulates as they had been found to be the major source of pollutants.

28. Miss Christine LOH supported the present funding proposal but was keen to ensure that there would be an open competitive process for other eligible suppliers to offer their products, some of which might be more

effective, albeit at a higher price. DS(EF) confirmed that the proposal to award non-exclusive contracts to tenderers whose products had passed the technical assessment would serve such a purpose.

29. On behalf of Members of DP, Mr LEE Wing-tat appreciated the Administration's difficulty in trying to balance the needs for fair competition and for speedy implementation of the proposal. Whilst he would agree with open tendering, he urged the Administration to complete the procedures on product specifications, invitation for tender and tender evaluation in about one month as he considered that the technologies involved were quite simple. Professor NG Ching-fai also asked whether it was possible to further shorten the entire implementation plan by three months.

30. The Chairman noted that according to the Administration, different designs of particulate traps had already been proposed by various suppliers. He therefore considered that it should not take long for the technical committee to complete the assessment. Members noted that some of these products were local ones and some were from overseas, including the Mainland and information on prices was available for some of them.

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31. In this connection, AD(EP) advised that pursuant to Hong Kong's obligations under the World Trade Organization Agreement on Government Procurement (WTO GPA), a period of six weeks had to be allowed for local and overseas bidders to submit their proposals and a reasonable period of time should also be given to successful tenderers to manufacture the products. Having considered members' views, DS(EF) undertook to convey members' views to the Central Tender Board (CTB) to see whether the tendering process and the assessment by the technical committee could be expedited. He advised that subject to the readiness of the support services, the Administration would see if it was possible to commence the retrofitting exercise in October or even earlier, instead of in December 2000. The Administration would advise FC in writing of the improved time-table.

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32. Mr Kenneth TING did not see any drawback if vehicle owners installed particulate traps which met the technical requirements first and then obtain reimbursement later up to the amount of the final tender outturn price. DS(EP) noted his view for consideration.

33. Mr CHAN Kam-lam agreed with the need for an open bidding process and considered the present proposal acceptable as the Administration had undertaken to expedite the process. Miss CHOY So-yuk said that she would agree with the present proposal in view of the Administration's undertaking to reduce the implementation process to about four months. However, she would uphold her earlier view if the schedule could not be shortened.

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34. S for Tsy considered it encouraging to note that both the Administration and members attached great importance to improving the air pollution problem. As regards the WTO GPA, S for Tsy advised that under normal circumstances, a period of 42 days would be required for the submission of bids. However, individual signatories could make special arrangements on the merits of individual cases, having regard to public interest. As Chairman of CTB, she undertook to examine with the relevant bureau(x) ways to expedite the tendering process as far as practicable.

35. The Committee approved the proposal.

Item No. 6 - FCR(2000-01)12

HEAD 53 - GOVERNMENT SECRETARIAT : HOME AFFAIRS BUREAU

**♦ Subhead 700 General other non-recurrent
Bid for the right to host the 2006 Asian Games**

36. Mr Howard YOUNG stated that Members of the Liberal Party were in support of the proposal in consideration of the long-term and other intangible benefits brought to Hong Kong by hosting the Asian Games. He also referred members to the copy of a letter from the Joint Council of the Travel Industry of Hong Kong to the Chief Secretary for Administration re-affirming its support for Hong Kong to bid for hosting the 2006 Asian Games. (Note: The copy of the letter was tabled at the meeting vide FC119/99-00.)

37. Mr Howard YOUNG referred to the projected revenue of \$205 million from television income and that of \$100 million from ticket sales income given in the analysis of projected revenue listed in Enclosure 3 to the discussion paper and enquired on the actual income derived from these two items by the host city of the last Asian Games.

38. In reply, the Deputy Head, Asian Games Bid Team (DH, AGBT) advised that the television income received by Bangkok in the last Asian Games in 1998 was about \$145 million. According to the forecast of the marketing agent, Pusan would derive a further 10% in television income from the 2002 Asian Games. As Hong Kong was a telecommunications hub, the projected television income of \$205 million was a realistic forecast. On ticket sales income, DH, AGBT pointed out that there might be considerable variations due to the level of ticket prices, attendance for each event and the seating capacity of the venues. Having considered the variables in consultation with the Sports Federation and Olympic Committee of Hong Kong, China (SF & OC), the consultants had estimated that some \$100 million in revenue could be derived from ticket sales.

39. As regards the allocation of revenues from admission tickets between the Olympic Council of Asia (OCA) and the host city and information on past allocations of such revenues, DH, AGBT advised that the Administration had made enquiries with the Bangkok and Pusan authorities, being the host city for the 1998 and 2002 Asian Games respectively, but no definitive reply had been obtained as the allocation of revenues was very much a commercially sensitive agreement between OCA and the host city concerned. DH, AGBT said that according to available information, the share of gross income taken by the official marketing agent and OCA was likely to be 20% and 33% respectively with the remaining portion retained by the host city. DH, AGBT nevertheless assured members that if Hong Kong's bid was successful, Hong Kong would negotiate with OCA on the detailed terms in the host city contract and would endeavour to seek a higher share in revenue.

40. Responding to Mr CHAN Wing-chan's enquiry about the job opportunities to be created locally by hosting the 2006 Asian Games, DH, AGBT advised that according to the consultancy study, some 500 staff would be required for the organizing committee, of whom about 100 would be deployed from the civil service and the remaining 400 would be directly recruited. If Hong Kong succeeded in its bid, there would also be a lot of preparatory work in the run up to 2006, such as improvements to existing facilities, construction of the Athletes Village etc which would generate jobs for the local workforce. As regards enhancing Hong Kong's international image and the increase in tourists, DH, AGBT referred to an earlier assessment that some 55 000 tourists would visit Hong Kong specifically to view the 2006 Asian Games.

41. Mr Andrew CHENG Kar-foo referred to his letter which was tabled at the meeting (subsequently issued to members vide FC120/99-00 dated 15 May 2000) and sought the Administration's response, especially on the first two requests listed therein relating to setting an upper limit on expenditure for hosting the 2006 Asian Games. He said that the decision of Members of DP on the present proposal would very much hinge on the Administration's stance on its financial commitment.

42. In response, the Secretary for Home Affairs (SHA) said that as far as he could gather from Mr CHENG's remarks, Members of DP supported in principle Hong Kong's bid to host the 2006 Asian Games but were concerned about a number of issues, in particular the financing arrangements for the Games. He pointed out that the present proposal sought members' approval in principle for a financial commitment of some \$945 million to enable the Government to meet the operating deficit for hosting the Asian Games and the Far East and South Pacific Games for the Disabled in 2006. The estimated operating budget had been worked by the consultant based on the best assumptions and parameters currently available. The approval in principle was needed in order that Hong Kong could proceed to submit a formal bid to

Admin OCA by the end of June 2000.

Admin 43. DS(Tsy) and SHA nevertheless assured members that if Hong Kong succeeded in its bid, a business plan would be drawn up with the proposed mechanism to organize the event. Detailed estimates would then be prepared and an appropriate submission would be put to FC for approval of the actual financial commitment required. DS(Tsy) further informed members that the proposed arrangements were similar to those for hosting the IMF/World Bank Conference in 1997. On that occasion, the Administration first sought FC's acceptance of the likely financial implications in principle before the bidding and upon being awarded the event, sought FC's approval of a commitment of \$485 million based on a detailed plan together with an assurance to control expenditure and maximize sponsorship. As a result of the Government's efforts to control expenditure and secure sponsorship for the event, the actual cost to the Government was only about \$380 million.

44. Commenting on other issues listed in Mr CHENG's letter, SHA confirmed that the Administration noted the concerns raised. The Administration would explore other options to increase revenue and would follow up on the effect of the 2006 Asian Games on Hong Kong's GDP. SHA reiterated the Administration's commitment and plans to tackle the air pollution problem and assured members that the provision of sport facilities for the Games, if any, must also serve the long-term needs of Hong Kong. The Administration also supported the promotion of sports for all.

45. Mr Andrew CHENG found it difficult to accept if it was the Administration's intention that consideration would only be given to setting an upper limit on expenditure upon a successful bid. In his view, the Administration was already in a position to set an upper limit at this stage based on the financial study by the consultant. Mr CHENG said that the Administration had given conflicting statements on its position on previous occasions and therefore, sought a clear indication from the Administration on whether it would set a ceiling on expenditure for the Games. In response, SHA reiterated that it would be more realistic for the Administration to consider the financial arrangements, including Mr CHENG's suggestion of setting an upper limit on expenditure, after November 2000 if Hong Kong succeeded in its bid and upon availability of further information.

46. In this connection, DS(Tsy) re-affirmed that members were not being asked to approve specific items of expenditure under the present proposal. She explained the practical difficulties in coming up with a precise expenditure and income estimate for the purpose of a cash-limiting budget at this stage. Due to the increasingly commercialised nature of the Games, the extent of financial commitment borne by the Government in terms of meeting the operating budget would depend very much on the revenue it would receive. This would in turn depend on the terms of the host city contract to be

negotiated with OCA if Hong Kong was awarded the Games. She said that the Administration had made available to members the relevant consultancy report but it could only present the projected revenues and expenditures based on the best assumptions and parameters currently available. According to the consultant, the initial forecasts would be subject to fluctuations over the next six years as experience of previous Games showed that it was not unusual for organizing committees to adjust their expenditure budget to reflect changes in anticipated revenues. She did not agree with the suggestion that the Administration was already in a position to draw up an upper limit on its financial commitment. She cautioned that proposing a cap on the Government's financial commitment at this stage might disadvantage Hong Kong's bid to host the Games.

47. Noting that the maximum capacity of the existing Hong Kong Stadium was only 40 000 while the opening and closing ceremonies of the 2006 Asian Games should preferably take place at a venue with a capacity of 70 000 spectators, Mr Fred LI was concerned about the availability of suitable venues given the tight time-frame and stiff competition from other bidding cities such as Kuala Lumpur. He enquired whether the Administration had explored other sites such as the race course at the Hong Kong Jockey Club for holding the events.

48. In response, SHA confirmed that whilst the Administration would not construct permanent venues or upgrade sports facilities exclusively for the Asian Games, it was actively pursuing different options to meet the Games requirements including the use of Hong Kong Jockey Club facilities as venues for the opening and closing ceremonies and so far, the response from the Club had been very positive. SHA added that with the commissioning of a number of sports facilities in the run-up to 2006, the Administration would have a good chance to identify other suitable venues in due course.

49. Dr YEUNG sum believed that the holding of the 2006 Asian Games in Hong Kong would arouse greater interest in sports and a healthy lifestyle. He stated that Members of DP were of the view that the Government should take the opportunity of hosting such an important international event to foster its policy on sports development. He reported that according to a recent opinion survey by DP, the public would not support the hosting of the event if huge costs were to be incurred. Dr YEUNG therefore urged the Administration to control expenditure vigilantly as in the case of the IMF/World Bank Conference in which costs had been effectively controlled.

50. Miss Cyd HO stated that Members of the Frontier would object to the present proposal as it had not fully presented certain key data relating to the financial arrangements. She cautioned that as mentioned in the consultancy report, there might be major discrepancies if the assumptions on which the present projections had been based turned out to be different. On the

Government's subsidy for the Games and the respective share of revenue by OCA and the host Government which was not yet ascertained, Miss Cyd HO queried whether the Administration had any baseline for negotiation with OCA. She also pointed out that information was lacking on other direct or indirect costs such as the expenditures on permanently upgrading sports facilities and on receiving the evaluation team from OCA. Miss HO was of the view that the Administration should present all the necessary information and give ample opportunities for the community at large to consider and express their views on the matter. She therefore considered that the present proposal should not be approved at this stage.

51. Mr LAU Chin-shek enquired about the Government's financial commitment on the training of athletes and whether such resources would be reduced if Hong Kong's bid to host the Asian Games failed. In reply, the Deputy Secretary for Home Affairs (DS(HA)) advised that an annual provision of some \$200 million was provided by the Government to various sports associations through the Sports Development Board (SDB) and these associations also sought sponsorship from the private sector. Most of the funding was spent on elite training for athletes and sports development. As regards popular sports training, the Leisure and Cultural Services Department (LCSD) had also allocated sufficient resources for such purposes. The Administration was discussing the next five-year strategy in consultation with the SDB, SF & OC and LCSD with a view to further promoting sports development in Hong Kong. DS(HA) confirmed that while the Asian Games would stimulate interest and attention in sports training, there would be sustained efforts on the part of the Government to work closely with the SDC, SF & OC and LCSD to promote elite and popular sports training in Hong Kong.

52. Mr MA Fung-kwok concurred that it was very difficult to draw up accurate forecasts on the revenue and expenditure of the 2006 Asian Games at this stage. He however was of the view that both the revenue and expenditure as presently presented might have been under-estimated and he would have expected developments such as Internet services to boost the income from television. Mr MA considered that apart from the benefits enumerated in the discussion paper, hosting the 2006 Asian Games will have the effect of enhancing civic and environmental awareness, as well as fostering a sense of identity and social cohesion in the Hong Kong community. Noting that the estimated cost of \$680 million for permanently upgrading some of the venues would not be captured in the Games' operating expenditure, Mr MA suggested that the Government should provide further details on the projects involved so as to avoid future disputes that the Administration had channelled its resources to hosting the Asian Games at the expense of other arts, cultural and recreational activities.

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53. In reply, SHA confirmed that new sports and cultural facilities had been programmed to come on stream in the next six years and he would provide further details on these projects for members' information. He nevertheless assured members that irrespective of the decision to bid for the hosting of the 2006 Asian Games, the Administration had seen to it that sufficient resources were made available for promoting cultural and sports development.

54. On behalf of Members of the Hong Kong Progressive Alliance, Miss CHOY So-yuk expressed support for Hong Kong to host the Asian Games. She also considered the projected expenditure of some \$1,925 million (at 2006 Prices) acceptable as most of the money would be expended locally, thus benefiting the domestic economy. She further enquired on the Administration's overall plan, if any, on the provision or promotion of other support services such as cleanliness, courtesy campaigns, immigration clearance and transport facilities etc. In response, SHA reiterated the Administration's commitment to upgrade the quality of living in Hong Kong and would spare no efforts in promoting sports and culture and improving the environment so as to make Hong Kong an even more attractive cosmopolitan city.

55. Mr CHAN Kam-lam expressed support for the present proposal on behalf of the Democratic Alliance for Betterment of Hong Kong and opined that hosting the Asian Games would boost Hong Kong's international status. He nevertheless cautioned that Hong Kong must not use unscrupulous means to secure the right to host the Games as some other countries had done. He concurred that the various items of expenditure on the Games would help boost the local economy and create job opportunities. Mr CHAN also urged the Administration to provide continued impetus to promoting the quality of cultural and sports activities in Hong Kong.

56. The proposal was put to vote. 41 members voted for the proposal and 4 members voted against. None abstained.

For:

Mr Kenneth TING Woo-shou

Mr HO Sai-chu

Mr Albert HO Chun-yan

Mr LEE Wing-tat

Mr LEE Kai-ming

Dr LUI Ming-wah

Prof NG Ching-fai

Mr James TO Kun-sun

Mr HUI Cheung-ching

Miss CHAN Yuen-han

Mr CHAN Wing-chan

Mrs Sophie LEUNG LAU Yau-fun

Mr SIN Chung-kai

Mr David CHU Yu-lin

Mr Edward HO Sing-tin

Dr Raymond HO Chung-tai

Mr Eric LI Ka-cheung

Mr Fred LI Wah-ming

Mr NG Leung-sing

Mr MA Fung-kwok

Mr CHEUNG Man-kwong

Mr CHAN Kwok-keung

Mr Bernard CHAN

Mr CHAN Kam-lam

Mr Gary CHENG Kai-nam

Mr Andrew WONG Wang-fat

Mr WONG Yung-kan
Dr YEUNG Sum
Mr LAU Wong-fat
Mr Ambrose LAU Hon-chuen
Mr Andrew CHENG Kar-foo
Mr Timothy FOK Tsun-ting
Mr TAM Yiu-chung
Dr TANG Siu-tong
(41 members)

Mr Howard YOUNG
Mr LAU Kong-wah
Mrs Miriam LAU Kin-ye
Miss CHOY So-yuk
Mr SZETO Wah
Mr LAW Chi-kwong
Mr FUNG Chi-kin

Against:

Miss Cyd HO Sau-lan
Mr LEE Cheuk-yan
Mr LAU Chin-shek
Miss Emily LAU Wai-hing
(4 members)

57. The Committee approved the proposal.

Item No. 7 - FCR(2000-01)13

CAPITAL WORKS RESERVE FUND

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Fire Services Department

- ♦ **New Subhead "Replacement of communication and mobilising system for Fire Services Department"**

58. Mr CHEUNG Man-kwong recalled that when the proposal was discussed at the Security Panel on 6 April 2000, Members of DP had expressed grave concern about the high staff cost of \$87.7 million for project development and management and had urged the Administration to review the staffing requirement for the project. As the Administration had addressed the concern by reducing the staffing requirement from \$87.7 million to \$40.6 million for the project, Members of DP would support the present proposal.

59. Pointing out that the Hong Kong Police Force (HKPF) already had a very advanced mobilization system, Mr MA Fung-kwok enquired whether the Administration had explored the viability of making use of the mobilizing system of HKPF to also cater for the Fire Services Department (FSD) which, in his view, might enable more efficient co-ordination between the two forces as mobilization of HKPF might also be required in some emergency cases.

60. In reply, the Director of Fire Services (D of FS) advised that the mode of operation of FSD was distinct from those of other disciplinary forces, and the primary objective of FSD's mobilization system was to facilitate speedy

mobilization of fire and ambulance resources. As the mobilization system of HKPF had different objectives and subject to different operational requirements, integrating FSD's mobilization system into that of HKPF was not a preferred option in consideration of service efficiency and effectiveness.

61. Mr MA Fung-kwok said that as the mobilization system of HKPF also served various operational units within the force, he was therefore not fully convinced that the system, with appropriate enhancement, could not effectively cater for the resource mobilization needs of FSD. He also pointed out that the police and fire service authorities in some other metropolitan cities also shared a common mobilization system.

62. In response, the Deputy Secretary for Security stressed that the services provided by HKPF and FSD were categorically different. The very primary objective of emergency services was to attend to the scene of incident speedily with adequate and appropriate resources mobilized for fire-fighting and rescue operations. Hence, the mobilization system of FSD should be designed to serve this primary objective by targeting at speedy identification of incident address, accurate provision of location data of all FSD mobile resources and intelligent recommendation of efficient resource deployment and incident tasking. On the other hand, HKPF had very different operational requirements. Apart from speedy mobilization of resources for operations, HKPF's system also served other functions such as data collection, categorization and case analysis etc. She however acknowledged the need for interface between the systems of HKPF and FSD for certain purposes such as information received through emergency calls to the "999" emergency number.

63. In reply to Prof NG Ching-fai's enquiry about the mobilization systems of the police and fire service authorities in overseas countries that operated on a shared basis, D of FS said that according to his understanding, although the mobilization systems of some of these overseas authorities were co-located, they operated largely independently of each other.

64. Dr Raymond HO considered that the proposed Third Generation Mobilizing System (TGMS) was justified as TGMS's enhanced capabilities were required to cope with the growing demand for emergency services. Noting that the address identification function of the Calling Line Identification System, a component of TGMS, was currently not applicable to callers using mobile phones, he enquired about the measure to overcome this shortcoming. In reply, D of FS advised that after the commissioning of the TGMS, all console operators of the Fire Services Communication Centre would have received specific training on the technique to obtain information on the incident address from emergency callers as at present. He added that the Administration would keep in view the availability of the relevant technology.

Action

- 19 -

65. The Committee approved the proposal.
66. The Committee was adjourned at 5:05 pm.

Legislative Council Secretariat
August 2000