

立法會
Legislative Council

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seen by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 4th meeting
held at the Legislative Council Chamber
on Friday, 20 December 2002, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon HUI Cheung-ching, JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah
Hon Miriam LAU Kin-ye, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Dr Hon LAW Chi-kwong, JP
Hon TAM Yiu-chung, GBS, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP

Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon MA Fung-kwok, JP

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Eric LI Ka-cheung, JP
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Howard YOUNG, JP
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
Hon Timothy FOK Tsun-ting, SBS, JP
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Audrey EU Yuet-mee, SC, JP

Public officers attending:

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| Mr Frederick MA Si-hang, JP | Secretary for Financial Services and the Treasury |
| Mr Alan LAI Nin, JP | Permanent Secretary for Financial Services and the Treasury (Treasury) |
| Mr Stanley YING, JP | Deputy Secretary for Financial Services and the Treasury (Treasury) 1 |

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| Miss Denise Yue, GBS, JP | Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry) |
| Mr Mike J T ROWSE, JP | Director-General of Investment Promotion |
| Mr Simon K GALPIN | Associate Director-General of Investment Promotion |
| Mrs Jessie TING, JP | Deputy Secretary for the Civil Service (2) |
| Mr Eddie MAK | Principal Assistant Secretary for the Civil Service |

Clerk in attendance:

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

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| Miss Polly YEUNG | Chief Assistant Secretary (1)3 |
| Mr Matthew LOO | Senior Assistant Secretary (1)3 |
| Ms Caris CHAN | Senior Legislative Assistant 1 |
| Mr Frankie WOO | Legislative Assistant 2 |

Action

Item No. 1 - FCR(2002-03)46

**RECOMMENDATIONS OF THE ESTABLISHMENT
SUBCOMMITTEE MADE ON 11 DECEMBER 2002**

The Committee approved the proposal.

Item No. 2 - FCR(2002-03) 47

**RECOMMENDATIONS OF THE PUBLIC WORKS
SUBCOMMITTEE MADE ON 27 NOVEMBER 2002**

2. The Chairman reminded members that as explained in PWSCI(2002-03)31 issued to members on 2 December 2002, the Administration had updated the multipliers for estimating consultancy fees for capital works projects. As such, the Administration had proposed to reduce the estimated project cost for PWSC(2002-03)68 from \$138.1 million to \$137.1 million; and for PWSC(2002-03)69, from \$200.1 million to \$199.3 million as set out in paper FCR(2002-03)47.

3. The committee approved the proposal.

Item No. 3 - FCR(2002-03) 48

**CAPITAL INVESTMENT FUND
NEW HEAD "INTERNATIONAL EXHIBITION CENTRE AT
HONG KONG INTERNATIONAL AIRPORT"**

◆ **New Subhead "Equity in the International Exhibition Centre"**

4. Members noted that the Panel on Commerce and Industry had been consulted on the present proposal on 9 December 2002.

5. Mr SIN Chung-kai said that Members of the Democratic Party supported the proposal which would help enhance Hong Kong's leadership position as a hub for international exhibitions in Asia. In reply to Mr SIN's enquiry about the equity share of the various stakeholders, the Director-General of Investment Promotion (DG of IP) advised that the Airport Authority would have a fixed 10% equity stake in the joint venture which would own the proposed international exhibition centre (IEC). The remaining 90% equity would be shared between the Government and the private-sector partner according to the proportion of the construction cost that they would fund. DG of IP further explained that as one of the requirements in the tender, the private-sector participant must make a minimum equity contribution equal to 15% of the total construction cost of the first phase of the IEC. Assuming that the successful bidder would fund 15% of the total construction cost, then, its equity stake in the future joint venture would be 13.5% while the Government would own the remaining equity share.

6. The Committee approved the proposal.

Item No. 4 - FCR(2002-03)49

VARIOUS HEADS OF EXPENDITURE

◆ **Subhead 149 General departmental expenses**

7. Members noted that the Panel on Public Service had been consulted on the present proposal on 18 November 2002.

8. Ms LI Fung-ying asked whether the reduction in the rates of Duty Mileage Allowance (DMA) would have the effect of discouraging officers from using their own vehicles for duty, thus increasing the demand for departmental transport. She was concerned about the unintended consequence of inefficiency and additional costs.

9. In reply, the Deputy Secretary for the Civil Service (2) (DS(CS)2) said that the Administration did not expect a sudden rise in the demand for departmental transport as a result of the proposed reduction in DMA rates. As a general rule, departmental management were required to ensure that officers would use the most economical means of transport for duty journeys wherever operational requirements permitted.

10. Mr IP Kwok-him was concerned that if the proposed reduction in DMA rates discouraged officers from using their own vehicles, they might use more expensive means of transport such as by taxi which might ultimately result in higher operating expenditure for the department concerned. In response, DS(CS)2 advised that according to existing internal guidelines, departmental management is required to ensure the effective deployment of their departmental transport, e.g. by encouraging officers to use public transport as far as practicable. Where the use of public transport was considered not practicable under certain circumstances, consideration might be given to allowing the officer concerned to use other means of transport such as departmental vehicles or his own car. DS(CS)2 stressed that the particular circumstances of each case had to be taken into account in determining whether a certain means of transport was appropriate. She added that under the current "envelope" approach on operating expenditure, individual departments were expected to exercise greater vigilance in controlling their recurrent expenditure.

11. Mr IP Kwok-him reiterated his concern that officers who would not use their own cars might switch to taxis, thus resulting in increased expenditure. In response, DS(CS)2 highlighted that the most appropriate means of transport was to be determined by reference to the circumstances of each case, having regard to operational needs and cost-effectiveness. As for the savings expected to be achieved, it was estimated that the proposed revision of the formula for determining and adjusting the DMA rates would bring about savings of around \$12 million on a full year basis based on the claims pattern in 2001-02.

12. Regarding the entitlement of Police Constables and Sergeants to DMA, DS(CS)2 said that as she understood, the Police Force would effect payment of DMA to the officers concerned if it was impracticable for them to travel on public transport while on duty for the purpose of undertaking some special operations.

13. Mr NG Leung-sing noted that most of the top five DMA-spending departments had entered into agreements with contractors in the provision of various services. He sought the Administration clarification as to whether the provision of transport by contractors for site visits by government staff was in fact included as a term of the contract and if yes, whether this might give rise to abuse, in particular when claims for allowances were involved. In response,

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DS(CS)2 undertook to seek further information from the works departments on the relevant provisions in the contract with a view to preventing abuse, if any, of the arrangement.

14. The Committee approved the proposal.
15. The Committee was adjourned at 2:55 pm.

Council Business Division 1
Legislative Council Secretariat
8 January 2003