

立法會
Legislative Council

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Finance Committee of the Legislative Council

Minutes of the 6th meeting
held at the Legislative Council Chamber
on Friday, 21 February 2003, at 2:30 pm

Members present:

Dr Hon Philip WONG Yu-hong (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Dr Hon David CHU Yu-lin, JP
Hon Cyd HO Sau-lan
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon HUI Cheung-ching, JP
Hon CHAN Kwok-keung
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
Hon Howard YOUNG, JP
Dr Hon YEUNG Sum

Hon YEUNG Yiu-chung, BBS
Hon LAU Chin-shek, JP
Hon LAU Kong-wah
Hon LAU Wong-fat, GBS, JP
Hon Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, GBS, 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
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 Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok, JP

Members absent:

Hon Kenneth TING Woo-shou, JP
Hon Eric LI Ka-cheung, JP
Hon Margaret NG
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon Henry WU King-cheong, BBS, JP

Public officers attending:

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
Dr Sarah LIAO, JP	Secretary for the Environment, Transport and Works
Mrs Rita LAU, JP	Permanent Secretary for the Environment, Transport and Works (Environment)
Mr Paul TANG, JP	Deputy Secretary for the Environment, Transport and Works (Transport and Works)
Mr H K WONG, JP	Director of Territory Development
Mr C W KAM	Chief Engineer of Territory Development Department
Mr H L CHENG	Chief Engineer of Transport Department
Mr Robert LAW, JP	Director of Environmental Protection
Mr Elvis W K AU	Assistant Director of Environmental Protection
Mr MAK Chai-kwong, JP	Director of Highways
Mr SO Yam-tat	Chief Engineer of Transport Department
Mr William C G KO, JP	Director of Water Supplies
Mr LEUNG Mang Chiu, JP	Assistant Director of Water Supplies
Mr Clement LEUNG	Principal Assistant Secretary for Education and Manpower
Mr Lawrence KWAN	Project Co-ordinator of Education and Manpower Bureau
Mr Y C CHENG	Deputy Secretary for Education and Manpower
Miss Agnes WONG	Principal Assistant Secretary for the Civil Service (Appointments)
Mrs Lucia LI, JP	Deputy Director of Accounting Services
Mr Ken J BRADLEY, JP	Assistant Director of Accounting Services
Mrs Brenda FUNG	Principal Assistant Secretary for Health, Welfare and Food
Mrs Carrie LAM, JP	Director of Social Welfare
Ms Anissa WONG, JP	Acting Permanent Secretary for the Civil Service
Miss Jennifer MAK, JP	Deputy Secretary for the Civil Service
Mr Vincent LIU	Principal Assistant Secretary for the Civil Service (Training and Development)

Clerk in attendance:

Ms Pauline NG

Assistant Secretary General 1

Staff in attendance:

Miss Polly YEUNG

Chief Assistant Secretary (1)3

Ms Rosalind MA

Senior Assistant Secretary (1)9

Ms Caris CHAN

Senior Legislative Assistant 1

Mr Frankie WOO

Legislative Assistant 2

Action

The Chairman informed members that there were six agenda items scheduled for discussion at this meeting. While he would allow sufficient deliberation on the proposals, he would hope to deal with all the agenda items during this meeting. In case not all the items could be dealt with, the Chairman said that he would ask the Clerk to schedule an additional meeting.

Item No. 1 - FCR(2002-03)55

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 22 JANUARY 2003 AND 29 JANUARY 2003**

2. At some members' requests to consider and vote on PWSC(2002-03)80, PWSC(2002-03)82 and PWSC(2002-03)83 separately, the Chairman put FCR(2002-03)55 except the three aforesaid projects to the vote. The Committee approved the proposal.

PWSC(2002-03)80

759TH

Shenzhen Western Corridor

736TH

Deep Bay Link

3. Ms Miriam LAU pointed out that the project proposal had been discussed at length at meetings of the Panel on Transport. She opined that the decision on the project was a difficult one. While appreciating that the Shenzhen Western Corridor (SWC) was an important infrastructure to facilitate the transport link between Hong Kong and Southern China and that the Deep Bay Link (DBL) would also be necessary to connect SWC with the local transport network, Ms LAU expressed concern about the impact of the additional traffic brought about by SWC/DBL on the existing road network of North West New Territories (NWNT), in particular the Tuen Mun Road (TMR). In this connection, Ms LAU sought information on the latest development on the traffic diversion arrangements, notably measures to divert traffic from TMR to Route 3. She also sought the Administration's assurance that it would make the best endeavour to prevent overloading of the existing network.

4. In response, the Secretary for the Environment, Transport and Works (SETW) appreciated members' concern about the traffic conditions in NWNT upon the commissioning of SWC/DBL. She advised that according to the Administration's forecast, the total capacity provided by the three existing strategic roads in NWNT, namely TMR, Castle Peak Road and Route 3, would be capable of catering for the peak period traffic demand generated in NWNT as well as those from SWC/DBL until 2011. Notwithstanding, plans were in the pipeline for improving traffic conditions in NWNT, including the Castle Peak Road improvement project and the proposed widening of Yuen Long Highway (PWSC(2002-03)81). The proposed Easterly Link Road (ELR) could also provide an additional access road connecting SWC/DBL to the existing road network. SETW pointed out that in the run-up to 2011 after the commissioning of SWC/DBL in 2005, the Administration still had time to devise and implement the necessary improvement measures before the existing network reached its full capacity.

5. SETW further advised that the Administration was actively exploring ways to divert traffic to Route 3, and was in the course of negotiating with the Route 3 (CPS) Company for toll concessions to attract motorists to use Route 3. While she could not release details of the commercial negotiation at this stage, SETW said that the Administration would hope to conclude the negotiation in 12 months' time and come up with a mutually acceptable agreement. Assuming that the negotiation with Route 3 (CPS) Company could achieve fruitful results for toll concessions, a decision could then be made on the ELR to facilitate traffic diversion to Route 3. Initial estimates had indicated that the ELR would cost about \$700 million and take about three years to complete. The Administration could expedite the construction of the ELR through design-and-build contract arrangements. In this regard, SETW urged members to support the SWC/DBL project given its importance to the economy of Hong Kong and assured members that the Administration would endeavour to work out details of local traffic diversion measures as early as practicable.

6. While noting SETW's explanation, Ms Miriam LAU remained concerned about the possible traffic overload in NWNT. She pointed out that although there were three strategic roads to cater for the growing traffic demand, Route 3 was not toll-free. Vehicles would be inclined to use the two toll-free roads despite the spare capacity at Route 3, creating congestion on the other two roads.

7. Mr Albert HO recognized the significance of the SWC/DBL project to the future development of Hong Kong, but stated that Members of the Democratic Party (DP) could not support the present proposal in the absence of any concrete plans to alleviate the traffic overload on TMR. He commented that the forecast volume to capacity ratios (v/c ratio) for TMR had been made on the assumption that the total traffic load would be more or less equally

shared among the three strategic roads. However, as Route 3 was not toll-free like the other two strategic roads in NWNT, unless the negotiation with the Route 3 (CPS) Company could achieve adequate toll concessions to attract motorists to use Route 3, or contingency plans were in place for effective traffic diversion such as the provision of new roads like Route 10, some one million residents in NWNT might have to suffer from severe traffic congestion similar to those in the 1990's. Mr HO recalled that there was unanimous objection from the Tuen Mun District Council (TMDC) to the proposed project and that the majority of the members of the Yuen Long District Council (YLDC) also opposed the project. He therefore requested the Administration to defer the present proposal until details on traffic diversion measures were confirmed.

8. Mr Andrew CHENG confirmed the unanimous objection to the SWC/DBL project at TMDC, and the strong views of YLDC on the absence of effective traffic diversion measures to tie in with the commissioning of SWC/DBL. He queried why some members had objected to the northern section of Route 10 some time ago and yet supported the currently proposed SWC/DBL. On behalf of Members of DP, Mr CHENG requested the Administration to withdraw the proposal and re-submit it at a later stage, or when plans for major infrastructure projects, such as Tuen Mun West Bypass (TMWB), Tuen Mun-Chek Lap Kok Link (TM-CLKL) and Route 10, were finalized. He considered it essential that adequate traffic diversion measures were implemented in time for the commissioning of SWC/DBL in 2005.

9. Mr WONG Sing-chi criticized the Administration as adopting a piecemeal approach in the planning for transport infrastructure. He pointed out that the anticipated economic benefits of SWC/DBL would be achieved at the expense of the well being of the residents of Tuen Mun and Yuen Long, who had to suffer from aggravated traffic congestion resulting from the additional traffic load upon the commissioning of SWC/DBL. He sought the Administration's assurance for the provision of effective traffic diversion measures to address the concerns of local residents.

10. Ms Emily LAU also expressed grave concern about the impact of the additional traffic load on the residents of Tuen Mun and Yuen Long upon the commissioning of SWC/DBL. She cautioned that if effective traffic diversion measures were not implemented to relieve the additional traffic load to the existing roads in NWNT, residents would have to suffer from unacceptable traffic congestion. In this connection, she asked the Administration to put forward more concrete traffic diversion measures and advise on the schedule for making definite decisions on the measures.

11. Responding to members' concern about the traffic load for existing strategic roads in NWNT upon the commissioning of SWC/DBL, SETW explained that according to the forecast v/c ratios, the two strategic roads, i.e.

TMR and the widened Castle Peak Road, could cope with the increase in traffic load upon the commissioning of SWC/DBL in 2005 even if no additional traffic diversion measures were implemented to divert traffic to Route 3. As the forecast v/c ratios indicated a gradual increase in traffic load for the strategic roads from 2005 to 2011, the Administration would make use of the interim period of six years to continue to explore effective means of traffic diversion, including negotiation with the Route 3 (CPS) Company, to achieve maximum utilization of the capacity of existing roads. She said that while the well-being of residents of NWNT should not be overlooked, it was also important to consider the overall interest of the community. Apart from its negotiation with Route 3(CPS) Company, the Administration would also consider other traffic diversion/management measures in the context of the overall plan for traffic infrastructure in NWNT.

12. In response to Mr Albert HO's comment on the need for Route 10, SETW clarified that it had all along been the Administration's position that Route 10 was required by 2011 to meet the development and projected population growth in NWNT rather than as a direct measure for relieving the traffic load generated from SWC/DBL in 2005. SETW said that the Administration would not defer or withdraw the funding proposal. She stressed that SWC was an important cross-boundary link to facilitate cargo and passenger flow between Hong Kong and Southern China. SWC, together with DBL, would alleviate the traffic overload at the Lok Ma Chau checkpoint and facilitate the development of logistics industry in Hong Kong. She pointed out that while the Administration had long-term planning for transport infrastructure in NWNT, it should be noted that development plans were subject to on-going updates to meet the needs of changing circumstances.

13. In further reply to Dr Raymond HO's enquiry on whether Route 10 was still under the Administration's consideration, SETW said that the construction of Route 10 would be considered in the context of the overall review of the transport network for NWNT.

14. Mr TAM Yiu-chung said that given the stated commitment of both the Shenzhen Government and the Hong Kong Special Administrative Region (HKSAR) Government for the implementation of SWC, the provision of DBL as a link to the local transport network would be necessary. He nevertheless conveyed the concerns of residents in Yuen Long and Tuen Mun about the possible impact of the additional traffic load to NWNT upon the commissioning of SWC/DBL. In this connection, he urged the Administration to expedite measures to divert traffic from TMR to Route 3, including negotiation with the Route 3 (CPS) Company for toll concessions to attract motorists to use Route 3, as well as the provision of ELR. He considered that it would be most desirable if these traffic diversion measures could be completed in time upon the commissioning of SWC/DBL. Commenting on the overall infrastructure planning for NWNT, Mr TAM

remarked that if a decision was made to proceed with the construction of the Hong Kong-Pearl River West Link (HK-PRWL), the provision of TMWB should be expedited to provide the necessary local infrastructural link.

15. The Permanent Secretary for the Environment, Transport and Works (Environment) (PSE) assured members that if the HK-PRWL was decided on, the Administration would put in place the necessary transport infrastructure, including TMWB and TM-CLKL, to connect the cross-boundary link to the local transport network. She further advised that the Administration was conducting an overall review of the transport network in NWNT scheduled for completion in six months. The Administration would brief members in due course.

16. Mr TAM Yiu-chung and Dr TANG Siu-tong expressed concern about the compensation for land resumption in the SWC/DBL project and urged that the matter should be handled in a careful and satisfactory manner. In response, PSE informed members that the Administration would submit a funding proposal to the Finance Committee (FC) at its meeting on 7 March 2003 proposing certain new eligibility criteria for the payment of ex-gratia allowance to pig and poultry farmers affected by land resumption and clearance. If approved by FC, eligible pig and poultry farmers affected by the DBL project would be granted ex-gratia allowance as proposed.

17. Mr Andrew WONG stressed that he was in support of SWC but not DBL in view of the Administration's inability to provide a definite plan for the provision of ELR. He maintained his view that 759TH (SWC) and 736TH (DBL) should be voted on separately. He stated that unlike Members of DP who requested the Administration to pursue the Route 10 project as a supporting local transport link in connection with SWC/DBL, he was urging the Administration to provide an ELR which was less costly. He also considered it inappropriate for the Administration to rely solely on the negotiation with the Route 3 (CPS) Company to achieve effective traffic diversion. Instead, the whole matter should be taken as a traffic management issue and if necessary, the Administration might consider offering some form of subsidies to attract motorists to use Route 3 should the outcome of the negotiation fell short of the target toll concessions.

18. Dr TANG Siu-tong opined that the funding proposal of SWC and DBL should not be considered separately as DBL was a necessary link to connect SWC to the local transport network. Given that SWC was a joint project between HKSAR Government and the Shenzhen Government, Dr TANG commented that the stated commitment of the two governments had to be honoured. He stressed that if negotiation with Route 3 (CPS) Company for toll concession failed, the Administration must explore other traffic diversion options.

19. Mr LAU Ping-cheung urged that the Administration to actively explore the provision of additional road links, such as ELR, to achieve traffic diversion. He further suggested that traffic management measures should be considered and the Administration should make reference to measures adopted in other cities in this regard. In response, SETW re-affirmed that the Administration would actively explore effective traffic management measures to relieve traffic load, where appropriate.

20. Noting that substantial cost was required for the erection of noise barriers for DBL and the construction of Road T3 under PWSC(2002-03)82, Mr LAU asked the Administration to consider packaging the works under a design-and-build sub-contract to allow more room for the aesthetic design and the choice of construction materials for the noise barriers. He remarked that the sub-contract should be tendered on an open and competitive basis so that both local and international bidders would be invited to participate.

Admin

21. D of Hy responded that the Administration had given serious consideration to Mr LAU's suggestion relating to the provision of noise barriers. Nonetheless, given the close relationship between the construction of the road and the noise barriers, there would be considerable co-ordination problems if more than one contractor was involved, particularly for the elevated section of DBL. Moreover, it would be more desirable if a single contractor was responsible for each of the SWC/DBL projects in view of their tight implementation schedule. However, he said that the Administration would explore the feasibility of the proposed sub-contract arrangements for other highways projects. Regarding the tendering of the provision of noise barriers, D of Hy said that the Administration had examined the specifications and the standards in relation to the construction materials and design and would specify such information in the tender documents to facilitate participation of interested tenderers.

Admin

22. Dr Raymond HO highlighted the need for SWC/DBL. He noted that the Administration was facing a very tight schedule to meet the target of completing SWC/DBL in 2005. Dr HO also considered that the Administration should provide the ELR early and conduct detailed feasibility studies on its alignment. He asked the Administration to give due consideration to alignment option 4 for which PWSC members had indicated their preference at the meeting on 29 January 2003. On the progress of the negotiation with the Route 3 (CPS) Company, Dr HO requested the Administration to brief the Panel on Transport on the outcome in due course.

23. Concurring with Dr HO that the SWC/DBL was subject to very tight implementation schedule, SETW urged members to support the present proposal. On the alignment of ELR, she advised that the Highways Department was undertaking a detailed feasibility study on the alignment option 4. However, some technical complications might arise for the

construction of certain sections of alignment option 4 because of the presence of other transport infrastructure such as the via duct of West Rail.

24. Mr Abraham SHEK supported the project proposal in view of the economic benefits it would bring to Hong Kong and urged the Administration to try its best to achieve timely completion of the project by 2005. He considered that the provision of an ELR necessary to achieve effective traffic diversion to Route 3. He added that the Administration might consider awarding the project to the private sector if it considered the estimated cost of \$700 million too high. However, he was of the view that the construction of Route 10 was too costly given the Government's current fiscal position and commented that resources should not be further spent on studying the feasibility of Route 10 in the overall review of transport network of NWNT. In this regard, PSE responded that it might be premature at the present stage to decide on the timing and the need or otherwise for Route 10 before completion of the overall review. She confirmed that as the review was conducted in-house, no additional resources were incurred. She confirmed that the Administration would brief the relevant LegCo Panel(s) on the findings of the review.

Admin

25. Referring to the supplementary information provided by the Administration on the cost sharing arrangements for the lane change-over facilities (PWSCI(2002-03)45), Ms Emily LAU enquired about the estimated cost and whether problems of work supervision and management were anticipated. In reply, D of Hy confirmed that similar cost sharing arrangements had been adopted under other projects involving cross-border cooperation, such as the Regulation of Shenzhen River project and the construction of the Lo Wu pedestrian bridge. He advised that in line with usual practice, the HKSAR Government and the Shenzhen Government would be responsible for the work supervision and facilities management in their respective areas and problems were not anticipated in this respect. While further discussion would be carried out between the HKSAR Government and the Shenzhen Government over the layout design and detailed cost sharing arrangements, the initial estimated total cost of \$220 million worked out by the Shenzhen Government was considered reasonable taking into account the scope of the work involved.

26. Mr Albert CHAN said that members were put in a difficult position. On the one hand, it would be undesirable to approve the funding proposal for SWC/DBL in the absence of concrete traffic diversion measures. On the other hand, it might even be more undesirable to vote down the funding proposal on account of the significance of the project to the employment opportunities in the construction industry and to the economy of Hong Kong. He urged the Administration to expedite its negotiation with Route 3 (CPS) Company for toll concessions and implement such concessions as early as practicable instead of until the commissioning of SWC/DBL. On the overall

planning for transport network of NWNT, Mr CHAN commented that TMWB and TM-CLKL should be provided to link NWNT with other parts of the territory. Nevertheless, he stated his opposition to the provision of an ELR from the overall planning angle and said that the ELR would not bring any relief to residents in Yuen Long and Tin Shui Wai.

27. In response to Mr Albert CHAN's enquiry on whether TMWB and TM-CLKL would be taken forward, SETW clarified that the Administration had not made any statement to suggest that if HK-PRL would not be pursued, the TMWB and TM-CLKL would not be built.

28. The Chairman put PWSC(2002-03)80 to the vote. 34 members voted for the proposal, 11 voted against and no member abstained. The individual votes were as follows:

For:

Mr NG Leung-sing
Ms Cyd HO Sau-lan
Mr LEE Cheuk-yan
Mrs Selina CHOW LIANG Shuk-yee
Mr CHAN Kwok-keung
Mrs Sophie LEUNG LAU Yau-fun
Mr Jasper TSANG Yok-sing
Mr YEUNG Yiu-chung
Mr LAU Kong-wah
Mr Ambrose LAU Hon-chuen
Miss CHOY So-yuk
Mr TAM Yiu-chung
Mr Abraham SHEK Lai-him
Mr Tommy CHEUNG Yu-yan,
Mr Albert CHAN Wai-yip
Dr Hon LO Wing-lok
Ms Audrey EU Yuet-mee
(34 members)

Dr Hon David CHU Yu-lin
Ir Dr Hon Raymond HO Chung-tai
Dr Hon LUI Ming-wah
Mr HUI Cheung-ching
Mr CHAN Kam-lam
Mr WONG Yung-kan
Mr Howard YOUNG
Mr LAU Chin-shek
Ms Miriam LAU Kin-yee
Ms Emily LAU Wai-hing
Mr Timothy FOK Tsun-ting
Dr Hon TANG Siu-tong
Ms LI Fung-ying
Mr Michael MAK Kwok-fung
Mr LEUNG Fu-wah
Mr IP Kwok-him
Mr MA Fung-kwok

Against:

Mr Albert HO Chun-yan
Mr Fred LI Wah-ming
Mr CHEUNG Man-kwong
Mr Andrew WONG Wang-fat
Mr SZETO Wah
Mr WONG Sing-chi
(11 members)

Mr Martin LEE Chu-ming
Mr James TO Kun-sun
Mr SIN Chung-kai
Mr Andrew CHENG Kar-foo
Dr Hon LAW Chi-kwong

29. The Committee approved the item.

**PWSC(2002-03)82 458CL Sha Tin New Town, stage 2 –
construction of Road T3**

30. Ms Emily LAU expressed concern about the level of traffic noise at the open areas of the Christian Alliance Cheng Wing Gee College and Lau Pak Lok Secondary School and asked the Administration whether the sites would still be suitable for use by schools. In reply, the Director of Territory Development (DTD) advised that with the installation of the proposed noise barriers, the traffic noise from Road T3 would be reduced and the two schools in question would not be affected by excessive traffic noise. Responding to Ms LAU's further enquiry, DTD confirmed that the Territory Development Department would continue to liaise with the Education and Manpower Bureau (EMB) for installation of indirect noise mitigation measure for the Lau Pak Lok Secondary School and would support the school in its application for funds under the School Noise Abatement Programme.

31. The Chairman put the item to vote. The Committee approved the item.

**PWSC(2002-03)83 323WF Provision of water supply to Ngong
Ping**

32. The Chairman put the item to vote. The Committee approved the item.

Item No. 2 - FCR(2002-03) 56

**HEAD 146 - GOVERNMENT SECRETARIAT :
EDUCATION AND MANPOWER BUREAU AND ECONOMIC
DEVELOPMENT AND LABOUR BUREAU (LABOUR)**

♦ Subhead 700 General other non-recurrent

Item 034 Accreditation grant to providers of post-secondary programmes

33. Members noted that the present proposal had been discussed at the Panel on Education on 20 January 2003.

34. Mr TAM Yiu-chung declared interest as the Chairman, Management Board, Hong Kong College of Technology. He remarked that non-profit making bodies had great difficulties in launching post-secondary programmes without the support of the Government and enquired whether the cost of accreditation could be further lowered.

35. In reply, the Principal Assistant Secretary for Education and Manpower advised that the Administration had always encouraged the Hong Kong Council for Academic Accreditation (HKCAA) to lower their fees for accreditation. With the cooperation of the HKCAA, the fees of academic accreditation had been reduced by some 10% last year. He assured members

that the Administration would continue to keep in view the level of accreditation costs.

36. The Committee approved the proposal.

Item No. 3 - FCR(2002-03)57

**HEAD 146 - GOVERNMENT SECRETARIAT :
EDUCATION AND MANPOWER BUREAU AND ECONOMIC
DEVELOPMENT AND LABOUR BUREAU (LABOUR)**

**◆ Subhead 700 General other non-recurrent
New Item “Grant to the Language Fund”**

37. Members noted that the present proposal had been discussed at the Panel on Education on 20 January 2003.

38. Mr YEUNG Yiu-chung said that Members of the Democratic Alliance for Betterment of Hong Kong supported the present proposal in principle. On the recommendation of engaging 180 serving or recently retired teachers as teaching consultants for the purpose of setting up district-based task forces, Mr YEUNG enquired whether the teaching consultants would be managed by individual school authorities or centrally managed by the EMB and cautioned about possible loopholes in management if there was little monitoring by EMB.

39. In reply, the Deputy Secretary for Education and Manpower (DS(EM)) advised that according to the initial thinking of the Standing Committee on Language Education and Research (SCOLAR), the engagement of the 180 teaching consultants would be centrally coordinated by SCOLAR Support Unit and posted to the School Development Sections (SDSs) of the 18 districts.. They would be deployed to assist individual schools in the district depending on the language teaching needs of schools. He added that in practice, EMB would need to work closely with individual schools through its district SDSs to ascertain their needs and the assistance required.

40. Ms Emily LAU enquired about the operational arrangements on engaging serving teachers to serve as teaching consultants for the district-based task forces. Mr Tommy CHEUNG also sought information on how the 180 teaching consultants would be assigned.

41. In reply, DS(EM) advised that in case a serving teacher was engaged as teaching consultant, funding would be provided to the school concerned to employ a supply teacher and as such, normal school operation would not be affected. He added that similar arrangements were in place where primary and secondary school teachers were seconded to the Education and Manpower Bureau. As to how individual schools would be able to receive support in

enhancing their language teaching, DS(EM) said that this would depend on the specific needs of the schools concerned. The SDSs would maintain close liaison with schools in the districts and make arrangements to deploy teaching consultants from the task forces to assist individual schools. Priority would be accorded to schools most in need of enhancing their capability in language teaching. DS(EM) anticipated that under the proposed arrangements, a team of teaching consultants would probably be assigned to individual schools for a given period of time.

42. Mr Tommy CHEUNG was concerned that school principals might be reluctant to release experienced or outstanding language teachers to serve on the district-based task forces of teaching consultants. In response, DS(EM) advised that this concern had in fact been considered in the course of discussion between SCOLAR and schools. Having regard to the overall need for quality language teaching in Hong Kong, all parties concerned concurred that setting up district-based task forces of teaching consultants as proposed would serve a useful purpose. DS(EM) further said that experience had indicated that for schools with strong language subject panels, the release of one of the teachers might not pose a great problem for the school concerned. Furthermore, depending on the needs and outcome of discussion with schools, the release of good language teachers might be in the form of full capacity or half capacity of a language teacher.

43. In reply to Mr Tommy CHEUNG's question about the funding arrangement for the district-based task forces of teaching consultants, DS(EM) confirmed that under SCOLAR's recommendation, the estimated cost of about \$300 million would be one-off in nature to cover the salaries and training costs of the teaching consultants for a period of three years.

44. On SCOLAR's plan to set aside \$200 million in the Language Fund to provide incentive grants for serving language teachers to upgrade their subject knowledge and pedagogy, Ms Emily LAU enquired about the number of Chinese and English teachers who had not received any post-secondary education or teacher training in the language subject they taught to whom priority would be given for the incentive grants. In reply, DS(EM) advised that out of a total of about 32 000 language teachers, about 6 600 had not received any post-secondary education or teacher training in the language subject they taught, SCOLAR considered it appropriate to accord priority in assisting them to acquire the necessary subject knowledge and pedagogy.

45. Mr Tommy CHEUNG opined that it would be more useful if the language teachers could acquire language teacher training overseas. On whether the proposed incentive grants would also cover the salaries of the teachers while undertaking full-time training, DS(EM) advised that under SCOLAR's recommendation, the incentives grants would only cover course fees but not salaries.

46. As the proposed incentive grant would only cover 50% of the course fee subject to a maximum of \$30,000, Ms Emily LAU was concerned whether it would offer sufficient incentive to serving teachers to upgrade themselves. In response, DS(EM) confirmed that in drawing up its proposal on the incentive grants, SCOLAR had already consulted various educational bodies and had come to the view that the incentive grants would be an effective means to encourage teachers to upgrade their standard of language teaching.

47. Mr Tommy CHEUNG doubted whether the \$200 million set aside for incentive grants would be exhausted as there might not be sufficient training programmes available. In this regard, DS(EM) pointed out that while priority was given to some 6 600 language teachers who had not received any post secondary education or teacher training in the language subject they taught, the target recipients of the incentives grants in fact included all language teachers.

48. Noting that SCOLAR planned to sponsor the Annual Hong Kong News Awards to recognize high language standard in Chinese and English news and headline writing, Mr LEUNG Fu wah asked whether consideration would also be given to highlight common mistakes and poor standard in language standard of news reporting so as to alert journalists. In response, DS(EM) explained that in view of the pervasive influence of the print media, SCOLAR had agreed with the Hong Kong Newspaper Society that positive awards should be provided to encourage high language standard in Chinese and English newsreport writing. Nevertheless, he agreed to convey Mr LEUNG's view to the organizer of the Annual Hong Kong News Awards.

Admin

49. The Committee approved the proposal.

Item No. 4 - FCR(2002-03)58

HEAD 120 - PENSIONS

◆ Subhead 015 Public and judicial service pension benefits and compensation

50. Members noted that the present proposal had been discussed at the Panel on Public Service on 20 January 2003.

51. Mr Howard YOUNG noted that the present proposal sought supplementary provision to meet increased expenditure on pension benefits in accordance with the established mechanism. In reply to his question, the Deputy Director of Accounting Services confirmed that the actual number of retirees in 2001-02 and the latest known number in 2002-03 (9 261 and 5 241 respectively) included 7 407 officers and 3 010 officers who had retired in 2001-02 and in 2002-03 respectively under the Voluntary Retirement Scheme

and the Hong Kong Housing Authority's Voluntary Departure Scheme.

52. Mr Howard YOUNG observed that having discounted the number of retirees under the two voluntary retirement schemes, there were only about 2 000 civil servants on normal retirement and this number was much lower than the average of some 3 000. He therefore remarked that some civil servants who would otherwise retire under normal retirement had opted for the voluntary retirement schemes which offered a higher level of retirement benefits.

53. The Committee approved the proposal.

Item No. 5 - FCR(2002-03)59

HEAD 170 - SOCIAL WELFARE DEPARTMENT

♦ Subhead 179 Comprehensive social security assistance scheme

54. Members noted that the Panel on Welfare Services had been consulted on the present proposal on 10 February 2003.

55. The Committee approved the proposal.

Item No. 6 - FCR(2002-03)60

HEAD 120 - PENSIONS

♦ Subhead 015 Public and judicial service pension benefits and compensation

♦ Subhead 700 General other non-recurrent

New Item "Compensatory Payments under the Second Voluntary Retirement Scheme"

New Item "Ex-gratia Payments to early retirees who are Model Scale I officers on Old Pension Scheme in grades designated for the Second Voluntary Retirement Scheme"

HEAD 29 - CIVIL SERVICE TRAINING AND DEVELOPMENT INSTITUTE

♦ Subhead 700 General other non-recurrent

Item 216 Three-year Training and Development Programme to Enhance Training in the Civil Service

56. Members noted that the present proposal had been discussed at the Panel on Public Service on 20 January 2003. However, since information relating to the consultation with Panel had not been included in the Administration's paper in accordance with the usual practice, the Secretariat had arranged to table the relevant extract of minutes of the aforesaid Panel meeting for members'

reference.

57. Noting that certain grades such as the Labour Officer (LO) grade and the Labour Inspector grade had been included in the second Voluntary Retirement (VR) Scheme, Ms LI Fung-ying enquired about the criteria for determining which civil service grades had identified or anticipated surplus staff. In reply, the Acting Permanent Secretary for the Civil Service (PSCS) advised that the 229 grades had been put forward by Directors of Bureau and Heads of Grades having regard to their forecast manpower requirements and various re-deployment initiatives. Grades without any identified or potential surplus staff had not been included under the second VR Scheme.

58. Mr LEE Cheuk-yan said that he was in support of the second VR Scheme as an exit avenue for civil service staff. However, he queried the justification for including the LO grade in the 229 VR grades, given the large number of labour disputes and claims which required conciliation by Labour Officers. Referring to the long waiting time for appointment experienced by redundant staff of a property agency, Mr LEE was gravely concerned that including the LO grade under the Second VR Scheme and deleting the posts upon the departure of the VR takers would adversely affect services to the public and the well-being of the workforce. He therefore queried whether approval of the funding proposal would also include endorsement of the 229 grades. He stressed that if the 229 grades could not be changed, he could not support the present proposal.

59. In response, PSCS reiterated that the 229 grades had been put forward by Directors of Bureau and Heads of Grades having regard to their future manpower needs and various streamlining and efficiency initiatives. Nevertheless, she assured members that in deciding whether or not to approve an application for voluntary retirement, the Head of Department or Head of Grade would have to ensure that services to the public would not be affected. As to whether the relevant staff unions had been consulted on being included under the second VR Scheme, PSCS advised that while ultimately, the grades were to be designated by the Secretary for the Civil Service, the Civil Service Bureau had requested the relevant Heads of Grade/Department to brief their respective staff unions of their proposals. As such, she said that such briefing for staff unions, including that of the LO grade, should have been done.

60. In this connection, Mr LAU Chin-shek pointed out that apart from conciliation of labour disputes, occupational safety was another major programme area. He questioned whether the decision to include the LO grade had come from the department or from the central administration. He shared Mr LEE Cheuk-yan's concern and said that if the 229 VR grades could not be varied, he would not support the present proposal.

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61. In response, PSCS said that the VR grades had been proposed by the departments and endorsed by the relevant bureaux. Regarding the concerns raised by Mr LEE Cheuk yan and Mr LAU Chin shek, she undertook to examine their concerns on the LO grade and the Labour Inspector grade with the department and bureau concerned and to report the outcome to members.

62. Noting that there would be a five-year civil service recruitment freeze to the VR grades, Mr LEUNG Fu-wah asked whether the departments concerned would be allowed to employ non-civil service contract staff. He said that if contract staff could not be engaged, some applications for VR might be rejected on the grounds of service needs as in the last VR exercise. In reply, PSCS confirmed that individual departments could engage non-civil service contract staff to take up duties which were temporary or ad-hoc in nature provided that they could secure the necessary funding from their own resources.

63. Mr Michael MAK said that while he supported the present proposal in principle, he was gravely concerned about the control mechanism for ensuring that services to the public would not be affected if a large number of staff departed under the second VR Scheme. Referring to the case of staff in the Hospital Authority (HA), he sought assurance on how the increasing demand for health services would be met if there was no pre-determined number of retirees under the Scheme.

64. In response, PSCS clarified that of the 4 300 Medical Officers currently working in HA, only about 1% were civil servants. Staff employed by HA were not eligible for the VR Scheme. She reiterated that in approving applications for VR, the Administration had to be satisfied that services to the public would not be compromised as a result.

65. On the control mechanism, PSCS advised that upon funding approval, the Civil Service Bureau would issue a circular to notify Permanent Secretaries/Heads of Department and Heads of Grade of the procedures for processing and approving applications. Staff in the designated VR grades would be invited to apply for VR during a given period of time. Their applications would have to be scrutinized by the relevant bureaux/departments. The Permanent Secretaries and Heads of Department concerned must ensure that upon the departure of the VR takers, services to the public would not be affected.

66. The Committee approved the proposal.

67. The Committee was adjourned at 4:30 pm.