

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 9th meeting
held at the Legislative Council Chamber
on Friday, 30 April 2004, at 2:30 pm**

Members present:

Hon NG Leung-sing, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
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
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung, JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS
Hon LAU Kong-wah, JP

Hon Miriam LAU Kin-ye, 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
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 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:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
Dr Hon Eric LI Ka-cheung, GBS, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon HUI Cheung-ching, JP
Hon CHAN Yuen-han, JP
Hon SIN Chung-kai
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok, JP

Public officers attending:

Mr Frederick MA Si-hang, JP

Mr Alan LAI Nin, GBS, JP

Miss Elizabeth TSE, JP

Secretary for Financial Services and the
Treasury

Permanent Secretary for Financial Services
and the Treasury (Treasury)

Deputy Secretary for Financial Services
and the Treasury (Treasury) 1

Mr K K LAM	Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury)
Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury) Des.
Mr Darryl CHAN	Principal Assistant Secretary for Economic Development and Labour (Economic Development)
Mr Norman LO, AE, JP	Director-General of Civil Aviation
Mr W Y LEUNG, JP	Assistant Director-General of Civil Aviation
Ms Elizabeth TAI	Principal Assistant Secretary for the Environment, Transport & Works
Miss LUI Ying	Principal Transport Officer of Transport Department
Mr FAN Ho-chuen	Project Manager of Electrical and Mechanical Services Department
Mr Michael WONG	Deputy Secretary of Security
Mr Alan CHU	Principal Assistant Secretary of Security
Mr Patrick CHAN	Principal Assistant Secretary of Environment, Transport and Works (Transport)
Mr SIU Chung-kit, IDSM	Assistant Director of Immigration (Control)
Mr CHEUNG Chin-hung	Acting Assistant Director of Immigration (Information Systems)
Mr Albert LAI	Chief Systems Manager of Immigration Department
Mr LEUNG Koon-wah	Assistant Commissioner of Customs and Excise
Mr CHOW Chi-ping	Chief Project Manager of Architectural Services Department
Mr Eddy CHAN, JP	Deputy Secretary for Health of Welfare and Food (Food and Environmental Hygiene)
Mr Vincent LIU	Principal Assistant Secretary of Health, Welfare and Food (Food and Environmental Hygiene)
Mr CHEUNG Man-kwong	Assistant Director of Agriculture, Fisheries and Conservation
Dr LEUNG Siu-fai	Senior Fisheries Officer of Agriculture, Fisheries and Conservation Department

Clerk in attendance:

Ms Pauline NG

Assistant Secretary General 1

Staff in attendance:

Miss Becky YU

Chief Council Secretary (1)1

Mrs Mary TANG

Senior Council Secretary (1)2

Ms Caris CHAN

Senior Legislative Assistant 1

Mr Frankie WOO

Legislative Assistant 2

Action

In the absence of Dr Philip WONG, Chairman, Mr NG Leung-sing, Deputy Chairman, took over the chair for the meeting.

Item No. 1 - FCR(2004-05)1

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 3 MARCH 2004**

2. Ms Emily LAU noted with appreciation that the Administration had acceded to Members' request for the provision of a 100 metre-running track in the Tin Shui Wai School site to better facilitate physical training of students.
3. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 2 - FCR(2004-05)2

**CAPITAL WORKS RESERVE FUND
HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND
EQUIPMENT**

Civil Aviation Department

- ♦ **New Subhead “Replacement of Doppler Very High Frequency Omni-Directional Range and Distance Measuring Equipment at Tung Lung Island”**

4. The Chairman informed members that the Panel on Economic Services was consulted on the proposal at its meeting on 23 February 2004.

5. Ms Emily LAU noted that the Civil Aviation Department (CAD) would be using the facilities at Tathong Point and Cheung Chau to provide navigation service during the seven-month interim between decommissioning of the existing Doppler Very High Frequency Omni-Directional Range and Distance Measuring Equipment (DVOR/DME) and commissioning of the replacement equipment. She was concerned about the implications of such an arrangement on aviation safety and on the workload of air traffic controllers who were already fully occupied. The Director-General of Civil Aviation (DGCA) explained that the seven-month lead time was inevitable for the decommissioning and commissioning of the equipment. Adequate back-up arrangements would be put in place so that the non-availability of a single navigational aid for a certain period would have minimal effect on aviation safety. Apart from the facilities at Tathong Point and Cheung Chau, aircraft could also use other land-based systems and satellite systems to provide navigation service during the seven-month gap. Should weather and environmental conditions affect the accuracy of the navigation systems, aircraft could still rely on CAD's radar systems which provided navigation service within a distance of 200 nautical miles. Although there would be some increase in the workload of the air traffic controllers, this would not affect aviation safety. Responding further to Ms LAU's question on whether the air traffic controllers were aware of the proposed arrangement, DGCA advised that they were well aware of the need to provide back-up service when navigational aids were under repair and maintenance.

6. Noting that the DVOR/DME of Cheung Chau Station which had a range of coverage of 190 nautical miles was the only long range back-up navigation service during the seven-month gap, Mr Henry WU was concerned that its breakdown would bring the navigation service to a halt, resulting in the need to divert flights away from Hong Kong. DGCA said that the Hong Kong Air Traffic Management System was quite advanced. Besides, apart from the DVOR/DME systems, two sets of primary and secondary radar systems were also made available. CAD would ensure that the radar systems were in proper condition before proceeding to replace the DVOR/DME system at the Tung Lung Island Station. Diversion of flights to neighbouring cities would only be necessary in the event of a concurrent breakdown of the primary and secondary radar systems which had never occurred since the commissioning of the Chek Lap Kok Airport.

7. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 3 - FCR(2004-05)3

CAPITAL WORKS RESERVE FUND

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Transport Department

- ◆ **New Subhead “Replacement of Tunnel Lighting System in the Cross-Harbour Tunnel”**

8. The Chairman informed members that the Panel on Transport was consulted on the proposal at its meeting on 26 March 2004.

9. Ms Emily LAU expressed support for the replacement of the tunnel lighting system in the Cross-Harbour Tunnel (CHT) which had been in use since 1972. She then enquired about the arrangements for replacing the lighting system given the heavy traffic at CHT during night time. The Principal Assistant Secretary for the Environment, Transport and Works explained that in order to minimize disruption to the tunnel traffic as far as possible, works relating to equipment installation and testing within the tunnel tubes would be carried out from 1:30 am to 5:30 am during the routine tube closure for maintenance.

10. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 4 - FCR(2004-05)4

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Immigration Department

♦ New Subhead “Computer Systems for the Immigration Department at the New Control Point for the Hong Kong-Shenzhen Western Corridor”

11. The Chairman informed members that a paper on the proposal was circulated to the Panel on Security on 5 February 2004. Mr James TIEN asked if the Panel had discussed the proposal. The Deputy Secretary for Security (DS(S)) advised that as far as he could recall, the funding proposal was presented to the Panel at its meeting on 12 February 2004 but no members requested for discussion of the proposal.

12. Ms Emily LAU asked if the proposed computer systems for the new control point at the Hong Kong-Shenzhen Western Corridor were for the exclusive use by the Immigration Department (ImmD), and if so how the contracts would be awarded. DS(S) confirmed that the computer systems would be installed for use by the Hong Kong side. Hence, the cost incurred would be borne by the Government of the Hong Kong Special Administrative Region. The Acting Assistant Director of Immigration (Information Systems) (AD of Imm(IS)) said that there were a total of eight computer systems to be installed and they would be procured through separate contracts.

13. Ms Miriam LAU expressed support for the proposal as computer systems were vital to the operation of the new control point. She however noted that the computer systems were to cater for the needs of ImmD and asked if the Customs and Excise Department (C&ED), which was co-located in the new control point, would also share the same computer systems. DS(S) affirmed that the computer systems were for the exclusive use by ImmD. C&ED would be installing its own computer systems which were less sophisticated. The Assistant Commissioner of C&ED (AC of C&E) added that as the computer systems for C&ED at the new control point merely involved an extension of the existing computer systems from other

control points, the cost incurred would be funded by the block allocation under Subhead A007GX of Head 710 - Computerization and no separate funding approval from the Finance Committee (FC) was required.

14. Ms Miriam LAU noted that with Stage 1 implementation, 78 vehicle kiosks (including 40 for goods vehicles, 34 for private cars and four for coaches) would be installed with the new computer systems capable of handling an hourly traffic flow of 2 220 goods vehicles, 830 private cars and 150 coaches per direction. With Stage 2 implementation covering the remaining vehicle kiosks (up to 24 for goods vehicles and 16 for private cars), the hourly traffic flow would be increased to 1 640 private cars and 2 600 goods vehicles per direction. It appeared that the increase in hourly traffic flow for private cars was much higher than that for goods vehicles with Stage 2 implementation. She opined that this should not be the case given the need for enhanced traffic flow for goods vehicles to facilitate the logistics trade. She also enquired about the respective clearance times for goods vehicles under Stage 1 and Stage 2 implementation. DS(S) explained that if all the 64 kiosks for goods vehicles were fully opened, the handling capacity for the hourly traffic would certainly be increased. However, the traffic figures mentioned above were projected peak hour traffic rather than the actual growth patterns. The traffic growth of goods vehicles would be dependent on market situation and would not be determined by Stage 2 implementation. If all the kiosks were fully manned, the handling capacity of the new control point could be up to 80 000 vehicles per day by 2016. As for the clearance time, AC of C&E said that the new computer systems would not affect customs clearance and the clearance time for goods vehicles was expected to be reduced from the current 30 seconds to 27 seconds per vehicle by the end of 2004.

15. Mr LAU Kong-wah asked if the capacity of the computer systems was designed to handle the anticipated growth in traffic by 2016 and whether they would be able to cope with the future expansion of the new control point as a result of increased traffic demands. He also enquired if the scratch marks found in some of the new Smart Identity Cards would interfere with the computer systems. AD of Imm(IS) advised that given the normal service life of a computer system of about 10 years, it was expected the computer systems would have to be replaced by 2016 due to obsolescence and to take account of the latest technological development. By way of illustration, the Immigration Control Automation System installed at the control points in 1995 to underpin immigration clearance was due for replacement within this year. As regards the scratch marks found in some of the new Smart Identity Cards, DS(S) advised that these might be resulted from oxidization and could be removed by wiping the cards with a damp cloth or erasing them with a rubber. Examination of these cards indicated that the scratch marks would not result in chip failure. Notwithstanding, the scratched identity cards had been returned to the suppliers for follow-up investigations.

16. Noting that the reclamation works for the site of the boundary-crossing facilities of the two sides were expected to be completed by mid-2004, and that each side would bear the development and usage costs for the land used by that side, Ms Emily LAU enquired about the costs to be borne by the Hong Kong side. DS(S)

explained that in order to implement the “co-location” arrangement, there were outstanding actions in two major areas requiring approval from the Legislative Council (LegCo). First, the Administration had to sort out the legislative amendments required to underpin the “co-location” arrangement. Second, it would need to ascertain from the relevant Mainland authorities the development and usage costs for the land used by the Hong Kong side. It was hoped that both the legislative amendments and the land development and usage costs could be worked out in time for submission to LegCo in the early part of the 2004-05 session.

17. Ms Emily LAU expressed grave concern that the Administration was proceeding with the project without knowing its actual cost. She asked if this was an exceptional arrangement. DS(S) said that the arrangement was exceptional indeed in that the Shenzhen side had been proceeding with the reclamation works some several years ago even before the two sides had agreed to implement the “co-location” arrangement on the reclamation site. Funding for the construction of the project was sought from FC on this exceptional basis in July 2003 and the design and advance works had been proceeding on schedule. He further explained that in view of the tight work schedule, both sides had agreed to proceed with the finalisation of the land development and usage costs in tandem with the construction works once the site formation works had been completed. The schematic design of the boundary-crossing facilities had just been completed in February 2004 for the whole reclaimed site with an area of about one square kilometer. The estimated share of the reclaimed land for use by the Hong Kong side would be approximated at 41%. Ms LAU remarked that the Administration should in future refrain from engaging in projects without knowing the actual costs.

18. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 5 - FCR(2004-05)5

LOAN FUND

HEAD 262 – PRIMARY PRODUCTS

♦ New Subhead “Kadoorie Agricultural Aid Loan Fund - loans to mariculturists affected by cold spell”

19. The Chairman informed members that the Panel on Food Safety and Environmental Hygiene was consulted on the proposal at its meeting on 25 February 2004.

20. Mr WONG Yung-kan declared interest as the Chairman of the Federation of Hong Kong Aquaculture Association. He urged members to support the proposal which was worked out after lengthy discussion between the Association and the Administration.

21. The Chairman also declared interest as a member of the Loan Fund Committee despite that it was not involved in the discussion on the provision of the loan fund.
22. The Chairman put the item to vote. The Committee approved the proposal.
23. The meeting was adjourned at 3:10 pm.

Legislative Council Secretariat

16 June 2004