

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, 11 June 2004, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
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
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung, JP
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
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 Chin-shek, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yea, JP
Hon Emily LAU Wai-hing, JP
Hon CHOY So-yuk
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 Albert CHAN Wai-yip
Hon LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok, JP
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 Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, JP
Hon Mrs Selina CHOW LIANG Shuk-yea, GBS, JP
Hon James TO Kun-sun
Hon HUI Cheung-ching, JP
Hon Bernard CHAN, JP
Hon LAU Wong-fat, GBS, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Hon Michael MAK Kwok-fung
Hon WONG Sing-chi

Public officers attending:

Mr Frederick MA Si-hang, JP

Miss Elizabeth TSE, JP

Secretary for Financial Services and the
Treasury

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

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| Ms Eliza YAU | Principal Assistant Secretary for Financial Services and the Treasury (Treasury) A |
| Mr Alfred FOK | Principal Executive Officer (General), Financial Services and the Treasury Bureau (Treasury) |
| Mrs Cherry TSE, JP | Deputy Secretary for Education and Manpower (2) |
| Mr David WONG | Principal Assistant Secretary for Education and Manpower (Infrastructure and Research Support) |
| Mr C H YUE , JP | Director of Architectural Services Department |
| Mr Edward YAU, JP | Deputy Secretary for Education and Manpower (1) |
| Mr Byron LAM | Principal Assistant Secretary for Education and Manpower (Manpower Planning and Training) |
| Mrs Sarah P Y KWOK, JP | Acting Commissioner for Innovation and Technology |
| Mr Tony C T LAM | Assistant Commissioner for Innovation and Technology |

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 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

The Chairman advised that, after consultation with members, the Finance Committee meeting on 9 July 2004 would be advanced to 2 July 2004 to avoid a clash with the possible extension of the Council meeting on 7 July 2004.

Item No. 1 - FCR(2004-05)14

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 5 MAY 2004 AND 19 MAY 2004**

2. At members' request to consider and vote on PWSC(2004-05)8 separately, the Chairman put FCR(2004-05)14 except PWSC(2004-05)8 to the vote.

3. The Committee approved the proposal.

**PWSC(2004-05)8 260ES A direct subsidy scheme secondary school in
Area 50, Tseung Kwan O**

4. Ms Emily LAU said that she was in support of proposals to construct the direct subsidy scheme (DSS) secondary schools as this would provide more choices for parents and students. She recalled that when the proposal was discussed at the meeting of the Public Works Subcommittee (PWSC) on 5 May 2004, there was concern on whether owners of Oscar By The Sea should continue to be held responsible for the repair and maintenance of Pung Loi Road and Pung Loi Avenue (the access roads) upon the commissioning of the proposed school. According to the Administration's paper, it was still examining the matter and hence not able to decide whether the Government should take over the maintenance responsibility of the access roads. Ms LAU pointed out that while owners had not indicated that they would object to the construction of the school, they were concerned about the additional maintenance cost incurred as a result of higher usage of the access roads upon the commissioning of the school. She then sought information on the background to the inclusion of maintenance responsibility of the access roads in the land lease of Oscar By The Sea.

5. The Deputy Secretary for Education and Manpower (2) (DS(EM)2) explained that after the PWSC meeting on 5 May 2004, the Administration did attempt to find out more details about the land lease. According to records, re-zoning was required for the residential development of Oscar by the Sea which followed the sale of land from the Hong Kong Oxygen Company to the developer. Through negotiations, a whole package of lease conditions which included, imposition of maintenance responsibility of access roads, and the land premium, had been agreed between the Grantee and the Government before approval was given for developing the whole site into a residential development. The developer concerned had set out in the sales brochures the requirement for owners to maintain and repair the access roads to which the public might have free access. The planned provision of Government, institutional and community (GIC) facilities nearby was also known way back.

6. DS(EM)2 added that as the practice of imposing maintenance responsibility of access roads on private owners was not uncommon in Sai Kung and many parts of the New Territories, the manner in which the case of Oscar By The Sea would be dealt with would have widespread implications on the land lease of other private

developments. In fact, issues relating to the maintenance responsibility for the access roads were discussed by the Housing and Development Committee of the Sai Kung District Council (SKDC) at its meeting on 27 April 2004 and a subcommittee had been set up for the purpose of resolving the matter with relevant bureaux and departments. Notwithstanding, SKDC members were supportive of the proposed provision of the school. DS(EM)2 added that the maintenance responsibility of access roads and the school project were two separate issues, and that the decision on the former should not affect the latter.

7. Ms Emily LAU acknowledged that any changes to earlier agreement between the Grantee and the Government on the terms of land lease would have wide implications. While the terms of the earlier agreement should be honoured, she enquired about the likelihood of Government taking over the maintenance responsibility of access roads through some kind of trade-off arrangement with the private owners. DS(EM)2 said that she was not in a position to comment on this as land/road policy was outside the purview of the Education and Manpower Bureau. The matter was being jointly pursued by the relevant bureaux and departments, taking into account considerations of affected parties. In response to the Chairman, she said that continued efforts would be made in resolving the case of Oscar By The Sea and other similar cases, but she was not in a position now to indicate any definite time frame as to when the matter could be resolved.

8. While indicating in-principle support for the proposal, Mr Henry WU asked if owners were aware that the site earmarked as GIC facilities in the sales brochure was meant to include the provision of a school. Expressing similar concern, Mr James TIEN enquired whether the developer was aware of the provision of the school and the resulting increase in traffic when the land lease was signed in 1995. He also asked if the owners' responsibility for maintenance of the access roads was set out in the Deeds of Mutual Covenant.

9. DS(EM)2 said that according to the development plan, the Oscar By The Sea comprised 1 959 units for accommodating about 6 000 residents. In term of the development areas, the ratio between the development and the school was about 9:1. When the land lease was discussed in the mid 90s, the developer was well aware of the existence of the GIC site as they were required under the land lease to form the land and then surrender it to the Government for such a development, which could include schools and other GIC facilities, albeit a definite plan might not be known at that time. DS(EM)2 added that owners had also been made aware of their maintenance responsibility as the sales brochure had explicitly stated that "owners of the Lot shall at their expenses throughout the term of the Government G maintain the Green Area, the Yellow Area, ... the sewage pump house and the Access Road ... and allow free access to and from the same until such time as possession of the same shall have been redelivered to the Government pursuant to the terms of the Government Grant". She said that the Administration acknowledged owners' concerns about the increase in traffic as a result of the commissioning of the school. The Administration would endeavour to work out a mutually agreeable solution.

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10. Mr Henry WU enquired about the maintenance cost for the access roads as well as the anticipated increase in traffic after the commissioning of the school. DS(EM)2 drew members' attention to the traffic demand in the vicinity which was served by one bus terminus, four bus routes, and one mini-bus route. As the increase in the number of school buses using the roads after the commissioning of the school would be confined to the morning when school began and afternoon when school closed, this would not create much traffic impact. Meanwhile, the current annual maintenance cost for the access roads was roughly estimated at \$400,000, based on best information available. In response to members' enquiry, DS(EM)2 said that supplementary information on the traffic condition of the Pung Loi Road and Pung Loi Avenue would be provided after the meeting.

11. Mr CHEUNG Man-kwong reiterated that the main factor which Members of the Democratic Party (DP) would take into account in considering proposals on the provision of schools was the demand and supply of school places within a district. As the demand and supply of school places within the Sai Kung district was more or less the same, DP Members would abstain from voting on the proposal.

12. Mr Andrew WONG said that he was not opposed to the provision of the school, but he was against the imposition of maintenance responsibility of public roads on private owners. It was against this background that he voted against the proposal at the PWSC meeting on 5 May 2004. He said the requirement for private owners to maintain public access roads was not a proper arrangement. Referring to a case of burst pipe in one of the access roads maintained by some private owners of container storage areas in Shatin, he pointed out no action had been taken to repair the pipes as there were difficulties in determining the causes of the burst pipe and the case had been dragged on for years. He added that while he accepted that some developers might be required under the land lease to provide land formation works and construct roads, it was not considered appropriate as a matter of principle to require owners to maintain the roads which provided free access to the public. Problems such as burst pipes were beyond the control of owners and their worries about high maintenance costs arising from re-paving of roads were justified, particularly when they could not impose any restrictions on the use of roads. Mr WONG considered it unfair that Government should include in land lease requirement for owners to maintain public roads and he requested the Administration to refrain from such practice in future. Noting that the Administration was looking into the resumption of private streets in urban area, consideration should also be given to reviewing the maintenance responsibility of public roads by private owners. He therefore urged members to vote against the proposal.

13. Ms Audrey EU said that although she would support the provision of a DSS school in the area, she could not agree to the funding proposal at this stage when the maintenance responsibility for the access roads had yet to be resolved.

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

Item No. 2 - FCR(2004-05)15

**HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION AND
MANPOWER BUREAU**

◆ Subhead 700 General non-recurrent

New Item “Youth Sustainable Development and Engagement Fund”

15. The Chairman informed members that the Panel on Manpower was consulted on the proposal at its meeting on 22 April 2004.

16. Ms Emily LAU enquired about the number of non-engaged youths in Hong Kong and how many of them were expected to benefit from the Youth Sustainable Development and Engagement Fund (the Fund). She also sought details of the training programmes for youth workers in enhancing their skills in motivating the non-engaged youths to seek employment or pursue education and the basis for setting the funding ceiling of \$3 million per project.

17. The Deputy Secretary for Education and Manpower (1) (DS(EM)1) said that there were no accurate statistics on the number of non-engaged youths though a rough estimate of which would be in the order of approximately 70 000. The creation of the \$50 million fund was meant to foster the development of trial schemes and new initiatives and promote the employment opportunities for youths. On the funding ceiling of \$3 million per project, DS(EM)1 said that this was set with an aim to accommodate more pilot projects in different areas to benefit more youths. The Fund would also be used to subsidize training for youth workers but the exact amount of subsidy would depend on the training to be provided. There were no set targets on the number of youths to be benefited under the pilot programmes of the Fund as this would depend on the number of organizations applying for the Fund, the types of training and employment of these pilot programmes as well as the rate of participation of youths in these programmes. Performance indicators such as enrolment rate, completion rate and level of satisfaction of participants and employers/trainers would be used by the Task Force on Continuing Development and Employment-related Training for Youth to evaluate the effectiveness of the projects. Ms LAU however pointed out that indicators to quantify the effectiveness of publicly funded projects were necessary. The Administration noted Ms LAU's view.

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

Item No. 3 - FCR(2004-05)16

HEAD 155 – GOVERNMENT SECRETARIAT : INNOVATION AND TECHNOLOGY COMMISSION

**♦ Subhead 700 General non-recurrent
New Item “DesignSmart Initiative”**

19. The Chairman informed members that the Panel on Commerce and Industry was consulted on the proposal at its meeting on 10 May 2004.

20. Ms Emily LAU enquired about the rationale for capping the funding for projects under the scheme on design-business collaboration at \$100,000 while projects under other schemes of the Design Support Programme (the Programme) were not subject to such a requirement. She also enquired if universities were allowed to apply for funding under the Programme.

21. The Acting Commissioner for Innovation and Technology (CIT) explained that the scheme on design-business collaboration aimed to promote the interest and investment of small-and-medium-sized enterprises (SMEs) in utilizing design and transforming design activity into tradable deliverables that manifested exploitation and deployment of intellectual property, which might comprise patent, copyright, trademark or industrial design. Applicants would be local design companies or academic institutions, with local SMEs as collaborating parties. Design projects that would offer businesses the ability to differentiate themselves from competitors, add value to their products or services, and increase their competitiveness would be funded. The applicant design company (or the academic institution concerned) and the SMEs in the project were expected to contribute in aggregate at least 50% of the approved project cost. Government’s maximum funding support for each approved project would be \$100,000. The Government would, in the light of operational experience, consider setting a limit on the maximum amount of support which a particular company might receive (either in terms of cumulative funding approved or number of projects approved). This would ensure a rational allocation of resources to benefit more companies and prevent a single company from continuously submitting funding applications for the design of its range of products.

22. CIT added that it would not be appropriate to set a cap on other projects under the Programme, such as research and continuing education, as these would be of a larger scale and take a longer period of time. Nevertheless, an indication of estimated cost was provided for the DesignStar Scheme, the purpose of which was to select and provide sponsorship of about \$1 million in total for two best designers each year to undergo maximum one-year training or work attachment at reputable organizations so as to broaden the horizon of aspiring designers. Projects under the scheme on general support activities mainly contributed to the fostering of culture, greater appreciation and adoption of design, and honoring of excellence in design in Hong Kong, including conferences, exhibitions, seminars, etc. The imposition of a cap might limit the flexibility of these projects and hence affecting their delivery. To enhance transparency, individual projects requiring more than \$10 million

funding from the Programme would be submitted to FC for approval. A vetting committee chaired by CIT would be set up to assess the merits of applications. CIT also confirmed that universities were eligible to apply for funding under the various schemes of the Programme.

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

24. The Chairman reminded members that the next meeting would be held on Friday, 25 June 2004, at 2:30 pm.

25. The meeting was adjourned at 3:20 pm.

Legislative Council Secretariat

16 July 2004