

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 12th meeting
held at the Legislative Council Chamber
on Friday, 25 June 2004, at 2:30 pm**

Members present:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
Hon NG Leung-sing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Cyd HO Sau-lan
Ir Dr Hon Raymond HO Chung-tai, JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Kwok-keung, JP
Hon Bernard CHAN, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan
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 LAU Wong-fat, GBS, JP
Hon Miriam LAU Kin-yee, JP
Hon Ambrose LAU Hon-chuen, GBS, 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
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
Dr Hon LO Wing-lok, JP
Hon Frederick FUNG Kin-kee
Hon IP Kwok-him, JP
Hon LAU Ping-cheung

Members absent:

Hon Kenneth TING Woo-shou, JP
Dr Hon David CHU Yu-lin, JP
Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP
Hon HUI Cheung-ching, JP
Hon CHAN Yuen-han, JP
Hon CHAN Kam-lam, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Emily LAU Wai-hing, JP
Dr Hon TANG Siu-tong, JP
Hon Abraham SHEK Lai-him, JP
Hon LEUNG Fu-wah, MH, JP
Hon WONG Sing-chi
Hon Audrey EU Yuet-mee, SC, JP
Hon MA Fung-kwok, JP

Public officers attending:

Mr Frederick MA Si-hang, JP	Secretary for Financial Services and the Treasury
Mr Alan LAI Nin, GBS, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Elizabeth TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1

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 & Research Director of Architectural Services)
Mr C H YUE, JP Mr N C TINSLEY	Acting Chief Technical Advisor/Subvented Projects of Architectural Services Department
Mr Alan LO	Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)
Mr H W FUNG, JP	Deputy Commissioner for Census and Statistics
Mr Alvin LI	Assistant Commissioner for Census and Statistics
Mrs CHEUNG WONG Wai-mui	Senior Systems Manager of Census and Statistics Department
Mr Thomas CHOW, JP	Deputy Secretary for the Environment, Transport and Works (Environment and Transport)E2
Mr C W TSE	Principal Assistant Secretary for the Environment, Transport and Works (Environment and Transport)E3
Mr Francis HO, JP	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Mrs Betty FUNG, JP	Deputy Secretary for Commerce, Industry and Technology (Communications and Technology)2
Mr Stephen MAK, JP	Deputy Director of Information Technology Service

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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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

Item No. 1 - FCR(2004-05)17

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 16 JUNE 2004**

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

Item No. 2 - FCR(2004-05)18

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE
MADE ON 9 JUNE 2004**

2. At members' request to consider and vote on PWSC(2004-05)25 and PWSC(2004-05)26 separately, the Chairman put FCR(2004-05)18 except PWSC(2004-05)25 and PWSC(2004-05)26 to the vote.

3. The Committee approved the proposal.

PWSC(2004-05)25 102ET A direct subsidy scheme school (secondary-cum-primary) in Area 11, Sha Tin

4. Mr CHEUNG Man-kwong said that Members of the Democratic Party (DP) would object to the proposal.

5. Mr Andrew WONG said that he was opposed to the proposal when it was first submitted for consideration by the Public Works Subcommittee (PWSC). He considered that it was inappropriate for the Hong Kong Baptist University (HKBU) to operate an affiliated through-train secondary-cum-primary school as this would set an undesirable precedent for other universities which might also build their own affiliated schools. This would create an unfair competition to other school sponsoring bodies as secondary-cum-primary schools operated by universities inevitably had an advantage over others. He considered that in sponsoring a direct subsidy scheme (DSS) school, HKBU was acting beyond its normal scope of work.

6. Mr IP Kwok-him said that Members of the Democratic Alliance for Betterment of Hong Kong would support the proposed provision of a DSS school in Sha Tin as this would provide more choices for parents. Moreover, the Sha Tin District Council had indicated support for the proposal since HKBU had undertaken to allocate no more than 15% of the places in the proposed school to students of the Sha Tin District.

7. Ir Dr Raymond HO said that he would support universities to operate affiliated schools if they were willing to do so.

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

PWSC(2004-05)26 48EC A direct subsidy scheme school (secondary-cum-primary) in Area 65, Tseung Kwan O

9. Mr CHEUNG Man-kwong reiterated that in considering funding proposals on the provision of new schools, DP Members would take into account factors such as whether the proposal was a reprovisioning exercise to improve the teaching environment or conversion of half-day to whole-day school, and whether it would have impact on the supply and demand of school places within a district. As the total provision of school places in Tseung Kwan O District, even after the completion of the proposed school, would not create an oversupply of school places, DP Members would abstain from voting on the proposal.

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

Item No. 3 - FCR(2004-05)19

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

Census and Statistics Department

- ◆ **New Subhead “Computer Equipment and Services for the 2006 Population By-census”**

11. The Chairman advised members that the Financial Services and the Treasury Bureau informed the Panel on Financial Affairs of the proposal by circulation on 7 June 2004.

12. Mr IP Kwok-him enquired if the Digital Mapping System Sub-system (DMSS) could be made available for public use after the 2006 Population By-census (06BC). The Deputy Commissioner for Census and Statistics advised that apart from serving 06BC, DMSS would also assist the Census and Statistics Department in performing its statistical work in other areas. To optimize the use of available resources, DMSS would also be made available for public use where necessary and charges which aimed to recoup cost would be levied.

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

Item No. 4 - FCR(2004-05)20

HEAD 44 – ENVIRONMENTAL PROTECTION DEPARTMENT

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

New Item “One-off grant to assist owners of pre-Euro diesel heavy vehicles of long idling operational mode to retrofit their vehicles with emission reduction devices”

14. The Chairman informed members that the Panel on Environmental Affairs (EA Panel) was consulted on the proposal at its meeting on 24 May 2004.

15. Miss CHOY So-yuk said that when the proposal was submitted for consideration by the EA Panel, members did not raise objection to the proposal but unanimously requested the Administration to consider providing an alternative to owners eligible for the retrofit programme to use the cash grant under the programme to replace their existing vehicles with the much cleaner Euro III models. This would bring about greater environmental improvement at no extra cost to the Government. While the Administration had agreed to consider members' suggestion, this had not been reflected in the paper provided to the Finance Committee.

16. In response, the Deputy Secretary for the Environment, Transport and Works (Environment and Transport)E2 noted that the proposed provision of a choice between retrofitting and replacement of vehicle was also raised when the Administration consulted the Legislative Council on the earlier proposed retrofitting programmes for other pre-Euro diesel vehicles. Under those programmes, a total of about 60 000 vehicles had been retrofitted with emission reduction devices without the choice of a cash grant for vehicle replacement. The present programme was targeted at the remaining category of pre-Euro diesel heavy vehicles, the current number of which stood at 3 500. Further to the discussion at the EA Panel meeting, the Administration had carefully considered the suggestion of providing an alternative of a cash grant for vehicle replacement. Given that the cost of a new Euro III diesel heavy vehicle ranged from \$250,000 and \$1,300,000, the provision of a cash grant equivalent to the cost of the retrofitting of an emission reduction device, estimated to be between \$10,000 to \$30,000 (depending on the engine size of the vehicle to be retrofitted), would not serve as an effective incentive to encourage vehicle owners to replace their vehicles with new models. Besides, the Administration considered it inappropriate to use public funds to sponsor vehicle owners in replacing their vehicles which had come to the end of their service life. The relevant Administration's reply on the subject had been provided to the Secretariat for issuance to the EA Panel and the Finance Committee.

17. Ms Miriam LAU said that the idea of using the cash grant as a subsidy for vehicle replacement in fact originated from the trade which had all along been seeking a choice between retrofitting and replacement of vehicle. From an environmental perspective, the environmental performance of a new Euro III model was far better than an existing diesel vehicle retrofitted with an emission reduction device. Ms LAU failed to see why the Administration had insisted on using the cash grant to retrofit the vehicles rather than using it as an incentive to encourage vehicle owners to replace their vehicles, particularly when most of these vehicles had already been in service at least since 1995 and were in need of replacement. She held the view that the present proposal failed to optimize the available resources to achieve the greatest environmental gains. Ms LAU said that while she would not object to the proposal merely because of the non-availability of the proposed alternative lest vehicle owners would not be able to benefit from the retrofit programme, she would like to register her dissatisfaction on the Administration's response.

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

Item No. 5 - FCR(2004-05)21

GENERAL REVENUE ACCOUNT

HEAD 47 – INFORMATION TECHNOLOGY SERVICES DEPARTMENT

**HEAD 55 – GOVERNMENT SECRETARIAT : COMMERCE, INDUSTRY
AND TECHNOLOGY BUREAU (COMMUNICATIONS AND
TECHNOLOGY BRANCH)**

CAPITAL WORKS RESERVE FUND

HEAD 710 – COMPUTERISATION

**Government Secretariat : Commerce, Industry and Technology Bureau
(Communications and Technology Branch)**

- ♦ **Subhead A059XV Implementation of the first phase of the Electronic Service Delivery scheme**

Block allocation

- ♦ **Subhead A007GX New administrative computer systems**

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

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

21. The Chairman reminded members that the next meeting would be held on Friday, 2 July 2004, immediately after the special House Committee meeting.

22. The meeting was adjourned at 2:50 pm.

Legislative Council Secretariat

30 July 2004