

立法會
Legislative Council

LC Paper No. FC112/03-04
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 13th meeting
held at the Legislative Council Chamber
on Friday, 2 July 2004, at 4:05 pm**

Members present:

Hon NG Leung-sing, SBS, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, SBS, 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 Eric LI Ka-cheung, GBS, JP
Hon Fred LI Wah-ming, 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 CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, JP
Hon Andrew WONG Wang-fat, JP
Hon WONG Yung-kan, JP
Hon Howard YOUNG, SBS, JP
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung, BBS, JP
Hon LAU Chin-shek, JP
Hon Miriam LAU Kin-ye, GBS, 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
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, BBS, 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 LEUNG Fu-wah, MH, JP
Dr Hon LO Wing-lok, JP
Hon WONG Sing-chi
Hon Frederick FUNG Kin-kee, JP
Hon IP Kwok-him, GBS, JP
Hon LAU Ping-cheung, SBS
Hon Audrey EU Yuet-mee, SC, JP

Members absent:

Dr Hon Philip WONG Yu-hong, GBS (Chairman)
Dr Hon David LI Kwok-po, GBS, JP
Dr Hon LUI Ming-wah, JP
Hon HUI Cheung-ching, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon MA Fung-kwok, SBS, 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)
Mr Stanley YING, JP	Permanent Secretary for Security
Mr Charles S P WONG	Deputy Secretary for Security
Mr David W K HOOI	Principal Management Services Officer of Security Bureau
Mr C H YUE, JP	Director of Architectural Services

Mr Peter K T YUEN	Project Director of Architectural Services Department
Mr MOK Kam-kwan, JP	Deputy Government Property Administrator
Mr LAM Kin-ha	Chief Property Manager of Government Property Agency
Ms Joey LAM	Assistant Director of Housing
Mr Francis HO, JP	Permanent Secretary for Commerce, Industry and Technology (Communications and Technology)
Mrs Marion LAI, JP	Deputy Secretary for Commerce, Industry and Technology (Communications and Technology)
Mr C S WAI	Deputy Secretary for the Environment, Transport and Works (Works)
Mr Helius NG, JP	Principal Assistant Secretary for the Environment, Transport and Works (Works)
Mrs Carrie YAU, JP	Permanent Secretary for Health, Welfare and Food
Mr Gregory LEUNG Wing-lup, JP	Director of Food and Environmental Hygiene
Mr Eddy CHAN Yuk-tak, JP	Deputy Secretary for Health, Welfare & Food (Food & Environmental Hygiene)
Miss Vivian KO	Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene)
Mr Donald TONG Chi-keung	Deputy Director of Food & Environmental Hygiene
Mrs Fanny LAW, GBS, JP	Permanent Secretary for Education and Manpower
Mr Chris WARDLAW	Deputy Secretary for Education and Manpower
Mr CHENG Yan-chee	Deputy Secretary for Education and Manpower
Mr SHE Mang	Principal Assistant Secretary for Education and Manpower

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

Action

As Dr Philip WONG, Chairman, was out of town, Mr NG Leung-sing, Deputy Chairman, took over the chair for the meeting.

Item No. 1 - FCR(2004-05)22

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 23 JUNE 2004

2. The Deputy Chairman advised members that in response to the request of Ir Dr Raymond HO, PWSC(2004-05)36 would be voted on separately.
3. Referring to PWSC(2004-05)31, Miss CHAN Yuen-han welcomed the proposed provision of \$44.6 million for general improvement works at Ngau Chi Wan Market and Cooked Food Centre, but was concerned that this might not be able to achieve the desired improvement to the ventilation having regard to the poor structural design of the market. At a recent joint site visit with Government officials, the indoor temperature of the market was found unbearably high. Apart from providing exhaust and fans, structural changes such as removal of part of the walls might also be required to improve the ventilation. It was later agreed that the matter would be followed up jointly by the stall lessees, District Councilors and relevant Governmental officials. In this connection, Miss CHAN considered it necessary for the Administration to undertake that it would make the best use of the provision of \$44.6 million to improve the ventilation of the market.
4. The Deputy Chairman advised that as PWSC(2004-05)31 was not to be voted on separately, no public officers had been invited to respond to questions on the proposal. In response to the request of Miss CHAN Yuen-han, the Director of Architectural Services said that while he did not take part in the recent joint site visit to the market, he was well aware of the concerns raised by Miss CHAN. He believed that the Architectural Services Department and the Food and Environmental Hygiene Department would take practical measures to improve the ventilation of the market.
5. Regarding PWSC(2004-05)35, Mr CHEUNG Man-kwong indicated that Members of the Democratic Party (DP) would abstain from voting on the proposal which was related to the provision of a private independent school (secondary-cum-primary) at Shum Wan Road, Aberdeen. He pointed out that while the proposal would have a relatively low impact on the supply of school places within the locality, there would be an overall projected surplus of 73 secondary classes and 18 primary school classrooms within the Southern District by 2007. He wished to put on record that DP Members were opposed to any further provision of schools in the Southern District as this would aggravate the oversupply of school places, resulting in wastage of resources.

6. The Chairman put FCR(2004-05)22 except PWSC(2004-05)36 to the vote. The Committee approved the proposal.

PWSC(2004-05)36 50JA Purchase of surplus Home Ownership Scheme flats for reprovisioning departmental quarters for the disciplined services

7. Ir Dr Raymond HO, Chairman of Public Works Subcommittee (PWSC), said that although the proposal was endorsed at the PWSC meeting on 23 June 2004, some members considered it necessary for the Administration to consult the staff to be affected by the proposed reprovisioning. Given the extent of funding required and the lead time for consultation, he had requested that the item be voted on separately to allow further deliberation on the proposal.

8. Dr David CHU said that in a reprovisioning exercise which would affect thousands of staff living in staff quarters, consultation with the affected staff was of paramount importance. He noted that despite the views expressed by PWSC members on 23 June 2004 on the need to consult staff before today's FC meeting, it was only near midnight on 30 June 2004, after the Duty Roster Members had met the disciplined staff association on the same day, that some of the affected staff were approached. Instead of understanding the needs of the affected staff, questions were posed to check their preparedness to move to the Home Ownership Scheme (HOS) flats in Kwai Chung and Yau Tong. In view of the late hours, the affected staff had reported the incident to the Police. As it seemed that consultation was still ongoing, Dr CHU queried whether it was appropriate for the Finance Committee (FC) to vote on the proposal at this stage.

9. The Permanent Secretary for Security (PS for S) advised that in the civil service, there were established procedure and mechanism of staff consultation. In the case of the disciplined services, the management would consult the staff side representatives of the Disciplined Services Consultative Council (DSCC), and the Police Force Council which included the Junior Police Officers' Association (JPOA), who were particularly relevant in the present case. While the Administration could not proceed with the formal consultation with the affected staff before details of the proposal had been confirmed and the proposal had been endorsed by the Housing Authority (HA), it had had informal exchange of views with DSCC and JPOA on the concept of purchasing surplus HOS flats for reprovisioning of substandard DQs for the disciplined services. The names of the 15 DQs to be reprovisioned and the four HOS developments to be purchased had also been made known to them. Thereafter, JPCA in particular had in turn apprised their members of the proposal through its website. When HA announced its decision on the disposal of HOS flats on 19 May 2004, the Administration formally informed DSCC and JPOA of the proposed reprovisioning arrangements and held meetings with the residents' associations of the affected DQs. During informal exchanges with the unions, the unions had advised that the locations of HOS flats should as far as possible match those of the DQs to be reprovisioned. Another view from unions had been that there should be a longer

decantation period of not less than 12 months. Such views had been taken into account. On decantation period, as mentioned in the supplementary information paper submitted to PWSC after the meeting on 23 June 2004, the Administration had further extended the target date of completion of decantation from early 2006 to June 2006. PS for S added that as with past quarter decantation exercises, the management would try to help those individual officers who wished to stay within the same district or adjacent areas to move to DQs in such areas, say by awarding them with extra points under the respective DQ allocation system. He also assured members that the Administration would continue its consultation on the detailed reprovisioning arrangements after the funding approval from FC. The Police, for example, would set up a joint working group with JPOA for the purpose.

10. Miss CHAN Yuen-han held the view that the funding proposal should not have been submitted to FC if the consultation was not completed. She pointed out that the Police staff associations had raised concerns about the practical difficulties associated with decantation which would involve a large number of households. Besides, the affected staff might not have sufficient time to prepare for the relocation as many of them would be heavily involved in a number of upcoming important international conferences to be held in Hong Kong. A longer decantation period was therefore considered necessary. However, the Administration only agreed to extend the decantation deadline from early 2006 to mid-2006. Miss CHAN further pointed out that the affected staff had legitimate concerns about the locations at which they would be relocated as this would affect, particularly the schooling of their children. They would have difficulty in accepting the proposal if affected households of the 15 DQs in various districts were reprovisioned to Yau Tong and Kwai Chung only.

11. In reply, PS for S stressed that in response to the advice of some members given at the PWSC meeting on 23 June 2004, the decantation target had been further extended to June 2006. That would allow more time for the affected parties to make relocation arrangements. He said that DSCC and JPOA had all long supported in principle the proposed reprovisioning of substandard DQs with HOS flats. Such support indicated that in general disciplined staff welcomed the HOS units in question. However, as with past similar decantation exercises, individual officers found particular difficulties with the decantation. In line with the established practice, the Administration would help such officers to use other DQs within the vicinity for reprovisioning. He believed that there should be reasonably good chance for the affected staff to be relocated within the same district and adjacent areas given that the affected households would be given an extra 48 points under the Police DQ allocation system. Quoting the Shatin District Police Quarters as an example, where some individuals had indicated the wish to remain in the district, there were 248 households in the Quarters. At present, there were 790 existing units in other DQs in Shatin and nearby areas. According to past trend, some 20 odd units were put up for re-allocation every two and a half months. He was therefore confident that the 248 affected households would have a good chance for relocation within the same district and adjacent areas over the next two years. Besides, as the unallocated units of the HOS developments would be open to staff of other DQs, it was expected that more DQs would be vacated in the district.

12. As regards the situation on the Hong Kong Island, PS for S advised that 532 households now lived in the quarters proposed for re-provisioning. There were 1 385 units in other DQs. Of these, 80 were at present vacant and in the past about 30 units would be re-allocated every two and a half months. He added that the HOS developments at Yau Tong to be purchased were conveniently located and were only one MTR station away from Quarry Bay where the Tanner Road Police Quarters were located.

13. Miss CHAN Yuen-han said that she failed to see how reprovisioning within the same district could be achieved as there were no readily available units in both the Shatin and Hong Kong districts. Judging from the experience in the clearance of Tai Hom Estate, it would take about five to six years before a reprovisioning exercise of such a scale could be completed. She urged the Administration to take into account DSCC and JPOA's request for further consultation with the affected staff before submitting the relevant funding proposal to FC for approval. PS for S said that DSCC and JPOA had reiterated their in-principle support for the proposal. He read out the views of JPOA, which supported the proposal because it would improve the living conditions of staff, and gave views on various issues relating to decantation arrangements, including the allocation of public rental housing units for those who were eligible for such upon retirement to avoid double relocation.

14. Mr CHAN Kam-lam opined that members would not object to the proposal if proper reprovisioning arrangements were made. He pointed out that some of the concerns raised at the meetings of the Panel on Housing and PWSC had not been adequately addressed. To obtain more accurate information on the availability of DQs, he requested the Administration to advise the allocation criteria for DQs, the number and locations of DQs which could be used for relocating the affected staff and how many of these were over 40 years of age. Noting that some of the 15 DQs to be reprovisioned were only built in 1989 and 1975, and that some of the substandard facilities such as toilets had been upgraded not long ago, he questioned whether there was a pressing need to reprovision these DQs. PS for S said that the Administration was liaising with DSCC and JPOA on the availability of DQs. He added that affected staff residing in the 15 DQs would have priority in the selection of HOS flats, and that staff living in other DQs could apply for the remaining HOS flats. He also agreed to provide the information as requested.

Admin

15. The Deputy Government Property Administrator supplemented that 94% of the 15 DQs to be reprovisioned were Chinese tenement buildings comprising units mainly with a floor area of 30 plus square metres per DQ while the remaining 6% were larger, and of a better standard. Although some of the DQs were only 20 years old, their layout and structural designs were far from satisfactory. Many of the sites had very low plot ratios and had not made full use of their development potential. Meanwhile, each of the HOS flats to be purchased had an average floor area of about 50 metres and a much better living environment as compared to the substandard DQs, albeit the choice of locations of these HOS flats was limited. Mr CHAN Kam-lam enquired about the measures to be taken if the reprovisioning exercise could not be

completed by June 2006 and whether the affected staff would be evicted if no suitable units could be found. He added that if there were no plans to redevelop the 15 DQs, consideration could be given to deferring the reprovisioning exercise for two years to allow more time for affected staff to make relocation arrangements. PS for S advised that under the proposal, 4 304 HOS flats would be purchased to reprovision the 4 300 units in the 15 DQs. However, only 3 000 households would be affected since some 1 300 units of the 4 300 DQ units were vacant. The remaining 1 300 HOS flats would be made available for application by staff from other DQs. If they were successful in their application, their DQ units would be vacated for re-allocation to the other staff, including those from the 15 DQs who did not wish to move to the HOS units. Given the availability of DQ units, there was a good chance that the affected staff would be able to be allocated a unit of their choice before June 2006. While some allowance would be given for those affected households to make relocation arrangements, it was believed that they would prefer to move out if the entire DQ block were to be vacated eventually.

16. Ms LI Fung-ying said that when the proposal was discussed at the meeting of the Panel on Housing on 7 June 2004, she had asked whether the affected staff had been consulted on the proposed reprovisioning. The Administration's response was that it had consulted the relevant consultative councils which had indicated support for the proposal as it would provide the staff with better living conditions. As such, not much difficulty in the reprovisioning would be envisaged. However, the affected staff were only approached by the Administration in late June 2004. It appeared that the Administration had misled Panel members to believe that the proposal had had the support of the affected staff.

17. PS for S explained that when the relevant staff consultative councils were consulted, they gave a favourable feedback and urged for early reprovisioning. The same response was given when they were recently consulted on the proposal, albeit some of the affected staff had raised concern about the practical difficulties associated with the reprovisioning. Efforts would be made to overcome these problems through the measures referred to in the preceding paragraphs which were also applicable to other reprovisioning exercises. Ms LI Fung-ying cautioned that it would be a waste of resources if the Administration proceeded with the purchase of the HOS flats and later found that the affected staff had declined to move in. In view of the absence of information on the availability of DQ units to ensure reprovisioning within the same district, she was not prepared to support the proposal. PS for S advised that as there had been general support for the proposal, some affected staff would be very disappointed if the purchase of the HOS developments could not be proceeded as planned.

18. Noting that a case conference was scheduled for 16 July 2004 to follow up with the affected staff on the proposed reprovisioning, Mr WONG Sing-chi suggested that the Administration should withdraw the proposal for the time being and re-submit it at a special FC meeting to be convened later. In this respect, the Deputy Chairman advised that whether a special FC meeting could be held before the end of the term

would be decided by the Chairman of FC. PS for S advised that the reprovisioning could not take place as planned if the funding approval could not be made within this legislative session. This would disrupt the removal arrangements of those staff who were hoping to move to the HOS units. Furthermore, the HOS flats would be kept idling for an extended period of time, resulting in wastage of public resources. Mr WONG clarified that members would not wish to defer the funding approval as this would affect the reprovisioning of those who wished to be relocated.

19. The Deputy Secretary for Financial Services the Treasury (Treasury)¹ said that as more time was needed to address the concerns raised by affected staff and a case conference had been scheduled for 16 July 2004, the Administration would withdraw the proposal.

Item No. 2 - FCR(2004-05)23

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

♦ **Subhead 700 General non-recurrent**
New item “ITU TELECOM WORLD 2006”

20. The Deputy Chairman informed members that the Panel on Information Technology and Broadcasting (ITB Panel) was consulted on the proposal at its meeting on 23 October 2003, and that FC accepted in principle the financial implications of the proposal vide FCR(2003-2004)47 on 19 December 2003. The Commerce, Industry and Technology Bureau informed the ITB Panel of the proposal and the revised budget vide an information paper on 23 June 2004.

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

Item No. 3 - FCR(2004-05)24

LOAN FUND

NEW HEAD “Construction Industry”

♦ **New Subhead “Start-up Loan to the Construction Workers Registration
Authority”**

22. The Deputy Chairman informed members that the Environment, Transport and Works Bureau circulated an information paper on the proposal to the Panel on Planning, Lands and Works on 6 April 2004.

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

Item No. 4 - FCR(2004-05)25

GENERAL REVENUE ACCOUNT

HEAD 49 – FOOD AND ENVIRONMENTAL HYGIENE DEPARTMENT

♦ **Subhead 700 General non-recurrent**

New item “Ex-gratia payment to live poultry retailers surrendering their licences with endorsement to sell live poultry or public market tenancies”

New item “Re-training and one-off grants to assist affected live poultry retail workers”

LOAN FUND

HEAD 262 - PRIMARY PRODUCTS

♦ **New Subhead “Loans to live poultry retailers”**

24. The Deputy Chairman informed members that the Panel on Food Safety and Environmental Hygiene (FSEH Panel) was consulted on the proposal at its meeting on 25 May 2004.

25. Referring to paragraph 13 of the revised FCR(2004-05)25 tabled at the meeting, the Permanent Secretary for Health, Welfare and Food (PSHWF) said that the Administration had revised the ex gratia payment (EGP) for stalls measuring 15 square metres or less from \$173,000 to \$200,000 per stall which had resulted in an increase in the total commitment for EGP to \$236,428,000. As compared to the initial proposal presented to the FSEH Panel on 25 May 2004, the present EGP for small stalls measuring 15 square metres or less had increased by about 60% while that for medium to large stalls measuring over 15 square metres had increased by about 40%. Mr Tommy CHEUNG recalled that when the proposal was put before the FSEH Panel, members found it difficult to support the level of EGP which was too low. Although the EGP for small-sized stalls had now been increased by \$20,000, this was still considered not adequate by the live poultry retailers who had requested for an extra \$40,000 for each stall.

26. While welcoming the revision of EGP for small-sized stalls, Miss CHAN Yuen-han asked how the date of cessation of business for retraining purposes was determined. She also enquired about the measures which the Administration would take to ensure that the affected live poultry retail workers would be fairly compensated by their employers. The Director of Food and Environmental Hygiene (DFEH) said that the date of cessation of business referred to the date on which the stall operator surrendered the licence. The affected workers would be able to take part in the eight-week training courses tailor-made for them within six months from the date of cessation of business. As for those workers who were out of job since 30 January 2004 when restriction was imposed on the importation of live chickens, they would still be eligible for the retraining after the surrender of the fresh provision shop licences provided that they remained as unpaid employees.

27. Miss CHAN Yuen-han opined that unlike the younger generation who could learn new skills within a short period of time, most of the live poultry retail workers

were middle-aged workers who would require a longer and a more diversified training to enhance their competitiveness in the job market. As such, the proposed six to eight months of retraining might not be adequate for them to learn a new skill. Furthermore, an extended training should be provided to equip these workers with more skills to earn a living. While acknowledging Miss CHAN's concerns, PSHWF pointed out that the retraining courses for the affected workers had already been extended from six to eight weeks as compared to that of the normal two-week period (or 84 hours) for domestic workers/security guards and the four-week period (or 140 hours) for barbecue meat workers. Moreover, there would be financial implications in further extending the courses.

28. As regards the proposed one-off grant of \$10,000 offered to workers who were unable to find employment after retraining, Miss CHAN Yuen-han pointed out that this was not sufficient as some of these workers might not be able to find alternative employment after being forced out of work. In line with the request of the trade associations, consideration should be given to increasing the one-off grant to \$30,000 or \$50,000. She also expressed concern that some of the part-time workers would not be eligible for retraining as well as the one-off grant. PSHWF explained that the one-off grant of \$10,000 was an exceptional arrangement and was not meant to set a precedent given that many workers in other fields were also left unemployed as a result of the changes in the economy.

29. Mr Fred LI said that DP Members were disappointed that the Administration had failed to address the difficulty faced by the live poultry retail workers who were laid off by stall operators as a result of poor business following the restriction on importation of live chickens. These workers would not be eligible for retraining nor the one-off grant if their employers did not surrender their licences. As laid-off workers were no different from the affected live poultry retail workers, he considered it necessary that some assistance should be given to them. PSHWF said that the ex-gratia payment package was meant to encourage stall operators to surrender their licences. Workers who were laid off by stall operators would be offered retraining and other services applicable to the unemployed. Nevertheless, the Administration would liaise with the Employees Retraining Board to explore possible means to assist those out-of-job workers.

30. Mr WONG Yung-kan shared the views of Mr Fred LI on the hardship faced by the laid-off workers. He stressed that the entire poultry trade, including chicken farmers, retailers and transportation workers, was a victim of avian flu as their business was hardest hit by the restriction on importation of live chickens. Given that avian flu in the neighbouring countries had subsided, he queried the need for retaining such a harsh restriction. PSHWF explained that the Administration had been keeping the restriction under review but decided that the number of live chickens to be imported should remain at 30 000 given the recent outbreaks of avian flu in neighbouring countries such as Vietnam. Besides, research studies had indicated that the H5 virus was different from that in 1997. She nevertheless agreed that a balanced consideration between public health and the needs of the trade and the

community for live chickens, particularly during festive seasons, should be taken into account in reviewing the restriction.

31. Mr Tommy CHEUNG opined that if it was the Administration's intention to limit the maximum number of imported live poultry at retail level to half of the consumption rate, the number of live chickens to be imported should be 50 000 instead of 30 000 as the consumption of live chickens in Hong Kong had already reached 100 000. Supply of live chickens from local farms was very limited due to the short of supply of chicks. He was therefore doubtful of the claimed potential health risk arising from the stocking of live poultry in the retail markets since all chickens were sold out almost every day. Mr WONG Yung-kan echoed that the restriction on importation of live chickens had indeed affected other businesses in wet markets which had resulted in a 20% reduction in job opportunities in these markets. He considered it necessary for the Administration to formulate a long-term policy on management of wet markets to prevent monopolization by supermarkets. DFEH said that upon the surrender of the rental tenancies by the live poultry retailers in the FEHD markets, the Administration would work out refurbishment plans to improve the layout of wet markets with a view to upgrading the remaining chicken stalls to enable more thorough separation of consumers from live poultry.

32. Mr Tommy CHEUNG however pointed out that while the overcrowding of chicken stalls was common in wet markets managed by the Food and Environmental Hygiene Department (FEHD), such as the Yeung Uk Market where there were at one time over 40 live chicken stalls, the same problem was not prevalent in markets managed by HA as there were usually only two to four live chicken stalls in each HA market. Therefore, if the Administration were to buy out the fresh provision shop licences from HA markets, there was a possibility that there would not be any chicken stalls left in these markets. This would not only undermine the competitiveness of HA markets, but also cause inconvenience to residents. He enquired how the Administration would deal with the situation where all the live poultry retailers of the same market had surrendered their licences. His views were shared by Mr Andrew WONG. DFEH explained that the proposed EGP was applicable to fresh provision shop licencees/tenancies in markets managed by HA and FEHD respectively. If it was found that all live chicken stall operators in HA markets had surrendered their licences, consideration would be given to allowing stall operators from FEHD markets to remove to HA markets.

33. Mr Andrew WONG noted that unlike retailers in HA markets who had to obtain fresh provision shop licences to sell live chickens, retailers in FEHD markets were only required to secure rental tenancies to sell live chickens. He considered that such an arrangement was unfair and might result in a situation where live chickens were only sold in FEHD markets when all live poultry stall operators in HA markets had surrendered their licences, bearing in mind that no more licenses would be issued. This would not only affect the operation of markets, particularly those single operator markets, but also give rise to a lot of complaints. In this respect, DFEH confirmed that since mid-2003, FEHD had ceased issuing fresh provision shop licences and ceased offering new FEHD market tenancies for live chicken stalls.

34. Mr CHAN Kam-lam remarked that it appeared that the Administration was trying to encourage the live poultry trade to cease their business by imposing restriction on the importation of live chickens and providing EGP for surrender of licences. He said that if this was the case, and that central slaughtering was the way forward, the Administration should apprise the live poultry trade of the long-term policy. DFEH said that while the long-term policy had yet to be worked out, live poultry retailers would have 12 months to decide on whether to surrender their licences as the ex-gratia payment package was valid for one year.

35. Mr Tommy CHEUNG enquired whether, as part of the long-term policy on management of wet markets, efforts would be made to ensure the availability of live chicken stalls in each market. DFEH said that as the consultation exercise on how to prevent avian flu had only just ended, the Administration needed time to analyze the views collected and to work out a long-term policy on this matter.

36. Mr WONG Yung-kan said that Members of the Democratic Alliance for Betterment of Hong Kong would support the proposal. He however stressed that the compensation package was not at all generous as some retailers/workers who were forced out of business/employment by the Administration would unlikely be able to find alternative employment after receiving the one-off payment.

37. As live poultry retailers would not be able to benefit from EGP if the proposal was rejected, Mr Fred LI said that DP Members would not object to the proposal but would abstain from voting.

38. Mr Tommy CHEUNG said that Members of the Liberal Party would support the proposal as some live poultry retailers were in need of EGP to tide over their financial hardship. He hoped that the proposal would not result in the closing down of all chicken stalls in Hong Kong as cessation of supply of live chickens would have a serious impact on the community and the catering industry.

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

Item No. 5 - FCR(2004-05)26

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

♦ Subhead 700 General non-recurrent

New Item “School-based Professional Support Programmes”

40. The Deputy Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 21 June 2004.

41. Mr YEUNG Yiu-chung enquired about the measures to ensure that the proposed grant of \$550 million to strengthen school-based support could achieve the intended purpose. The Permanent Secretary for Education and Manpower (PSEM) explained that the purpose of the school-based professional support programmes was to support and strengthen schools' understanding of the reform aims and to prioritize the different elements of education reform at school level. The programmes also aimed to relieve the pressure on teachers and build additional capacity in schools to sustain the momentum of the reform. The scheme would be bureaucracy light, not requiring schools to spend a lot of time and resources in filing applications because officers of the Regional Education Offices, who had been working alongside principals and teachers of the schools over the past four years, were well aware of the needs of schools. Instead of trying out new initiatives, the programmes would promote and strengthen reform measures which had proven to be successful. These programmes would be tailor-made to meet the individual needs of schools. Participation would be strictly voluntary and upon approval of funding, a working group comprising frontline educators, academics and community members would be set up to oversee and evaluate the progress of the support programmes according to the approved plan. To ensure success of the education reform measures, close rapport between the Administration and the schools would be required. PSEM also clarified that the support programmes were independent of the external school reviews which would only be carried out once in four to five years. It was hoped that schools would undergo self evaluation of their strengths and weaknesses in deciding on the type of support needed.

42. While expressing doubt about the effectiveness of some of the support programmes, Mr SZETO Wah said that he would not object to the proposal which was intended to provide support to schools. He hoped that the programmes would not add further burden to teachers since some 19% of them had already been suffering from depression according to a recent study. Noting that details of the programmes had yet to be worked out, he requested that the Administration should brief the Panel on Education on such details before actual implementation. Efforts should also be made to address practical problems associated with the programmes. These included the impact of engaging another principal in addition to the incumbent principal on the operation of school, the need to relieve serving principals/teachers to assist another school and the difficulties faced by seconded principals/teachers in taking forward improvement measures. As such, it would be more desirable to implement the programmes in a step-by-step manner and to conduct regular reviews.

43. PSEM said that the Administration was well aware of the problems faced by teachers in taking forward reform measures. Therefore, the programmes were aimed at assisting the schools in prioritizing the elements of education reform, reducing unnecessary administrative work of teachers and principals, as well as establishing networks to facilitate professional learning and experience sharing. In fact, a group of principals in Tung Chung had taken the initiative to form among themselves a quality circle to facilitate the sharing of experience in implementing the various elements of the education reform. The intention was to allow those principals or

teachers with comparable backgrounds and experience to learn from one another and to find ways to tackle problems of a similar nature.

44. Regarding the Seconded Teacher Scheme, PSEM advised that secondment of staff to work in other settings was not new. Every year, dozens of teachers who wished to enhance their exposure applied for secondment to EMB, in particular, the Curriculum Development Institute. The secondment was not limited to excellent teachers, but also teachers who were keen to learn. To ensure that sufficient numbers of senior and experienced professional school staff could be released under the “Principal Support Network” and “School Support Partners Scheme”, compensation in terms of additional provision of time-limited replacements at the appropriate seniority would be offered. Training and adequate opportunities would also be given to the secondees to make their secondment rewarding. Meanwhile, a school network under the “Professional Development Schools” programme would be set up for sharing of experience and promoting of improvement measures. Notwithstanding, schools would have to decide on the programmes which best suited their needs.

45. Mr CHEUNG Man-kwong said that judging from the views gathered, there would be great difficulty and risk as well as pressure in implementing the proposed support programmes. He pointed out that recent survey revealed that depression among school teachers originated from the pressure arising from implementation of various education reform measures. The concern about unemployment resulting from closure of schools had aggravated the problem. He cautioned that the implementation of support programmes would further complicate the issue and add pressure to the school teachers. Besides, it would not be easy to persuade serving principals and teachers to leave their own schools for two or three years to provide support to another school. Schools would also be adversely affected if their experienced teachers had to be seconded to other schools. In view of the uncertainties about the practicality of the support programmes, Mr CHEUNG considered it necessary for the Administration to conduct regular reviews of the programmes so that resources could be deployed to other more worthwhile areas if such programmes were found to be infeasible. He would not object to the funding proposal if the Administration agreed to flexibly implement the programmes.

46. PSEM said that there were many frontline teaching staff who were supportive of the education reform. At a recent gathering at the Hong Kong Institute of Education, she noted that the principals and teachers expressed support for the education reform and the need for site-based professional guidance. Some teachers with experience in learning study had been approached by other schools for experience sharing. There was a strong demand for training for the trainers. As the support programmes were welcomed by the education sector, the Administration would recommend these to school principals upon approval of funding.

47. Referring to the indicative financial implications of the support programmes, Mr Tommy CHEUNG asked if funding allocation could be flexibly adjusted to meet the individual needs of different programmes. He also enquired about the number of

schools to be benefited from the programmes and how the funding would be disposed of if the support programmes were not well received. PSEM advised that the funding allocation for the support programmes was based on rough estimates and would have to be reviewed and re-adjusted taking into account the actual circumstances. She undertook to report progress on the delivery of the programmes to the Panel on Education. As schools were keen to seek professional support in implementing the education reform, the support programmes were expected to be well received and it was hoped that all of the 1 200 schools could benefit from these programmes, in one way or another.

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

Item No. 6 - FCR(2004-05)27

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

♦ **Subhead 603 Plant, vehicles and equipment**

New Item “Replacement and upgrading of information technology facilities in public sector schools”

♦ **Subhead 700 General non-recurrent**

New Item “Implementation of information technology in education strategy”

49. The Deputy Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 21 June 2004.

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

51. The meeting was adjourned at 6:10 pm.