

立法會
Legislative Council

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Finance Committee of the Legislative Council

**Minutes of the 10th meeting
held at the Legislative Council Chamber
on Friday, 10 June 2005, at 2:30 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, JP
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon Bernard CHAN, JP
Hon LEUNG Yiu-chung
Hon SIN Chung-kai, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon LAU Chin-shek, JP
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP

Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon MA Lik, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Patrick LAU Sau-shing, SBS, JP
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Hon Martin LEE Chu-ming, SC, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon YEUNG Sum
Hon LAU Wong-fat, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon Vincent FANG Kang, JP
Hon LI Kwok-ying, MH
Dr Hon Joseph LEE Kok-long
Hon Daniel LAM Wai-keung, BBS, JP
Dr Hon KWOK Ka-ki
Hon CHEUNG Hok-ming, SBS, JP
Hon TAM Heung-man

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 (The Treasury Branch)
Ms Eva CHENG, JP	Commissioner for Tourism

Mrs Winifred CHUNG	Assistant Commissioner for Tourism
Mr Peter YUEN	Project Director of Architectural Services Department
Mr KWAN Chi-wai	Chief Traffic Engineer (HK Island) of Transport Department
Mr CHENG Yan-chee, JP	Deputy Secretary for Education and Manpower
Mr SHE Mang	Principal Inspector (Information Technology in Education) of Education and Manpower Bureau
Mr Stanley YING Yiu-hong, JP	Permanent Secretary for Security
Miss CHEUNG Siu-hing	Deputy Secretary for Security
Ms Winnie NG	Principal Assistant Secretary for Security
Mr YAM Tat-wing	Director of Operations of Hong Kong Police Force
Mr AU Hok-lam	Regional Commander of Hong Kong Police Force (Marine)
Mrs CHENG CHAN Ching-ling, JP	Financial Controller of Hong Kong Police Force
Mr Michael LEUNG	Assistant Director of Electrical and Mechanical Services (Business Development)
Mr CHICK King-fai	General Manager (Government Dockyard) of Marine Department
Mr Jimmy LEUNG	Senior Maintenance Manager of Marine Department
Ms Annie CHOI	Deputy Secretary for the Environment, Transport and Works (Transport)
Mr Adam LAI	General Manager (Services) of Marine Department
Miss LUI Ying	Principal Transport Officer (Management) of Transport Department
Mr LAM Yuk-wo	Senior Electrical and Mechanical Engineer (Vehicle) of Electrical and Mechanical Services Department

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)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 1 - FCR(2005-06)12

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 18 MAY 2005**

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

Item No. 2 - FCR(2005-06)13

**RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE
ON 11 MAY 2005**

PWSC(2005-06)4 177CL Sha Tin New Town, remaining engineering works

2. The Chairman advised that pursuant to the recommendation of the Public Works Subcommittee (PWSC) at its meeting on 11 May 2005, PWSC(2005-06)4 and PWSC(2005-06)6 would be put to vote as separate items. However, as the Administration needed more time to consider PWSC(2005-06)4 on the remaining engineering works of Sha Tin New Town, it had requested that the item be deferred to the Finance Committee meeting on 24 June 2005.

3. The Chairman put FCR(2005-06)13 except PWSC(2005-06)6 to vote. The Committee approved the proposal.

PWSC(2005-06)6 391RO Tourist District Enhancement Programme – The Peak

4. Members noted that at the PWSC meeting on 11 May 2005, there was general support for the proposed improvement works at the Peak and the adoption of the Victorian style of architecture as the theme of the Peak Enhancement Project (the Project). However, there was an opinion to preserve the existing structures in the Victoria Peak Garden (VPG), hence obviating the need to incur substantial funding for conversion into Victorian style.

5. Mr Andrew CHENG raised doubt on the need to convert the pavilion at VPG into Victorian style. He said that he and some other members would prefer retaining the existing style which was reminiscent of the past. His view was shared by Mr Albert CHENG. The Commissioner for Tourism (CT) however pointed out that, according to the Architectural Services Department (Arch SD), there was no special architectural merit in the design of the existing pavilion. By converting it into Victorian style, the pavilion would blend well with the theme of the Project. Mr Albert CHENG asked if consideration could be given to blending the surrounding environment with the existing design of the pavilion rather than introducing a new theme to VPG. CT said that the proposed Victorian theme of the Project had the support of the Central and Western District Council (C&WDC) as well as Peak

residents, including the some 300 families to be affected by the improvement works. Mr Albert CHENG opined that as the scenery at VPG was for the enjoyment of all Hong Kong residents and tourists alike, the targets of consultation should not be restricted to the affected Peak residents. CT said that apart from C&WDC and Peak residents, the Administration had also consulted the Tourism Strategy Group, Chung Wan and Mid-levels Area Committee, Peak Tramways Company Limited etc. which all supported the Victorian theme of the Project.

6. Given the wide range of architectural designs to choose from, Mr Abraham SHEK questioned why a Victorian style, which transpired a sense of colonialism, was chosen. Dr LUI Ming-wah echoed that with the change in sovereignty, Hong Kong should opt for a modern and high-tech style which was unique to Hong Kong. He therefore could not agree to the adoption of the Victorian style. The Project Director of Architectural Services Department (PD, Arch SD) explained that Victorian style was chosen for VPG in keeping with its historical setting. VPG sat on the foundations of Mountain Lodge, the former summer residence of the Governor, which was built in the 1890s in the Victorian style. Arch SD would be conducting more research into the Victorian style of architecture when undertaking detailed design for the project. CT reiterated that the adoption of the Victorian style for the Peak was generally supported by the community and the suggested high-tech theme might not blend well with the surrounding environment.

7. Mr Abraham SHEK held the view that the new design of the pavilion at VPG was not practical as it did not provide for a full view of Hong Kong nor adequate shelter in times of rain. He suggested that consideration should be given to hosting an open competition on the design of VPG. Dr LUI Ming-wah and Miss CHAN Yuen-han supported the proposal of hosting an open competition on the design of VPG. While expressing support for the Project as it would provide the needed improvements to the Peak which was an important tourist attraction, Miss CHAN also stressed the need for more shelter at the Peak to provide more protection from rain and wind.

8. CT said that as the Project mainly involved improvement works, such as streetscape and lighting improvement, there was not much scope for a design competition. She also confirmed that the area of the pavilion would be increased from 225 square metres to over 300 square metres to provide more shelter. The grass field in the existing VPG and the stone retaining wall would be retained while Victorian style elements in the kiosk, toilet and pavilion would be adopted. In response to the Chairman's concern that the proposed works would involve the felling of trees and provide less shelter for tourists, PD, Arch SD said that the number of trees at the Peak commercial core would not be reduced but some trees would be transplanted to enable a better view of the Pokfulam area. Given that the Peak was an important tourist attraction, Mr Abraham SHEK reiterated the need to ensure that the best design should be adopted for VPG.

9. Mr LEUNG Kwok-hung said that it might not be worthwhile to spend \$142.6 million to adopt a Victorian theme which was not relevant to the Peak. He considered it more appropriate to focus on the historical appeal of the Peak by displaying the historical relics of Hong Kong. He further pointed out that the purpose of going to the Peak was to have a panoramic view of the Hong Kong rather than enjoying the amenities provided at the Peak. He therefore saw no reason to make improvements to VPG which was always exposed to strong wind, making it difficult to maintain the plants. CT said that there would be a picture gallery at the former Gate Lodge where photos and stories of the Peak in the Victorian days would be displayed. The new tourism nodes would attract more tourists and lengthen their stay at the Peak. Meanwhile, a careful choice would be made on the types of trees to be planted in the VPG to ensure that they would be able to withstand the weather conditions there.

10. Miss CHOY So-yuk said that she had no objection to adopting a Victorian style design for VPG. She however stressed the need to conform to a unified style and avoid using a hybrid style. Given the difficulties of accessing the Peak from the Peak Tram Station at the commercial core on foot, she requested that consideration be given to the provision of a footpath to facilitate access. CT said that efforts to identify such a footpath linking Mount Austin Playground and the former Gate Lodge but were in vain as the slope was too steep. Besides, the provision of the footpath would involve the felling of a large number of trees and create a lot of nuisance during the construction period. As such, the said footpath had not been included in the Project. Nonetheless, there was already a path linking the former Gate Lodge and VPG.

11. Mrs Selina CHOW declared interest as the Chairman of the Hong Kong Tourism Board. She said that the points raised by members had been discussed at length at the meetings of the Panel on Economic Services and PWSC. It remained a matter of choice as to the type of design to be adopted. While some might prefer to retain the existing design of VPG as it was reminiscent of the past, others might want to have a change given that the existing design had been in use for a long time. The adoption of a unified design for the Peak had gone through a public consultation process and the Victorian style of architecture was considered the most appropriate and representative of the Peak. It was hoped that after the completion of the Project, the new tourism nodes would help lengthen the visitors' stay on the Peak and would be conducive to tourism expenditure.

12. Mr Howard YOUNG said that as a member of the Tourism Strategy Group, he was aware that the tourist industries were all supportive of the Project as well as the adoption of a unified theme for the Peak which was ranked first in the priority of tourist attractions for Mainland visitors. CT said that the Project had had the support of the tourist industries, including hotels and travel agents, who welcomed a fresh look of the Peak.

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

Item No. 3 - FCR(2005-06)14

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

♦ **Subhead 700 General non-recurrent**

Item 914 Implementation of information technology in education strategy

14. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 9 May 2005.

15. As the development of information technology in schools and the use of computers formed an integral part of learning, Mr WONG Kwok-hing asked if sufficient resources were made available to assist the needy students who could not afford to have computers at home. The Deputy Secretary for Education and Manpower (DS(EM)) said that all schools had installed computers to improve access of computers by students who have no computers at home. In addition, arrangements were in place for public sector secondary schools to loan computers to students in need. Under the proposed computer recycling scheme, recycled computers would be provided to needy students in the next two school years.

16. The Chairman noted with concern that out of 36 270 students who had no computers at home, only 20 000 students would be provided with used computers under the computer recycling scheme. DS(EM) explained that according to the Thematic Household Survey on Information Technology Usage and Penetration (the Survey) conducted by the Census and Statistics Department, about 5.8% of local student population aged 10 or above (about 36 270 students) did not have computers at home. The Survey also examined the reasons for not having a computer at home for the 36 270 students. Of the responses received, 29.1% considered that the costs were too high, 12.2% indicated that they had access to computers in other places while 15.5% did not know how to use computers. The Administration had taken those giving these reasons as requiring help, and thus the gross demand for computers at home to aid student learning would be around 20 000.

17. The Chairman queried the accuracy of the Survey as this lacked information on whether the students wanted to have computers at home and whether there was enough space at home to accommodate the computers. She also noted that one of the main reasons for not having a computer at home was “no specific application” and sought elaboration in this regard. DS(EM) explained that there were different reasons for citing “no specific application”. These might include computers which were not used at home but provided at schools and access to computers in other places.

18. Mr WONG Kwok-hing requested an undertaking that the Administration would provide computers to needy students who had financial difficulties in acquiring computers. DS(EM) said that additional resources would be provided if the demand for computers by needy students was higher than expected. This would be made

possible through a flexible deployment of resources among the different implementation measures. The Deputy Secretary for Financial Services and the Treasury (Treasury) said that flexibility for deployment among the different implementation measures existed as long as the expenditure was within the approved project scope and approved commitment ceiling.

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

Item No. 4 - FCR(2005-06)15

GENERAL REVENUE ACCOUNT

HEAD 122 - HONG KONG POLICE FORCE

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

New item “Replacement of marine craft for Versatile Maritime Policing Response”

CAPITAL WORKS RESERVE FUND

HEAD 708 - CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Hong Kong Police Force

♦ **New Subhead “Central command system for Versatile Maritime Policing Response”**

20. The Chairman informed members that the Panel on Security was consulted on the proposal at its meeting on 15 April 2005.

21. Mr WONG Kwok-hing enquired about the performance of the marine craft to be procured under the Versatile Maritime Policing Response Strategy (VMPR), such as whether they would be able to intercept high speed launches engaged in smuggling activities. He also enquired about the country of origin of these marine craft and whether consideration could be given to procuring them locally with a view to creating more job opportunities in Hong Kong. The Permanent Secretary for Security (PS for S) said that the marine craft to be procured under VMPR would be able to travel as fast as 45 to 50 knots against the 25 knots for the present large craft. They would be equipped with advanced technological systems, such as differential global positioning system, automatic vessel location equipment and thermal imager system, to meet the Marine Police’s operational needs. The capability of the Police in dealing with criminal activities and other incidents, including emergencies and maritime accidents, would be much enhanced. The procurement of these craft would be by way of open tender and subject to the principles of the World Trade Organization (WTO) Agreement on Government Procurement (the WTO GPA). Hong Kong ship manufacturers wishing to secure the manufacture contracts could participate in the open tender.

22. Mr WONG Kwok-hing pointed out that local ship manufacturers would not be able to compete with overseas counterparts in open tender under the principles of the WTO GPA. He said that Members of the Hong Kong Federation of Trade Unions (HKFTU) had repeatedly requested the splitting of major Government contracts to facilitate the participation of local manufacturers. He expressed regret that the Administration had ignored their requests.

23. In response, PS for S said that as a WTO member, the Hong Kong Special Administrative Region (HKSAR) had the obligation to comply with the requirements of the WTO GPA which allowed for the participation of WTO members on a fair and equitable basis by way of open tender. The Permanent Secretary for Financial Services and the Treasury affirmed that the HKSAR Government would have to follow the principles of the WTO GPA in its procurement valued over HK \$1.3 million by way of open tender. Splitting the contracts was not appropriate. From past experience, local ship manufacturers were able to compete with other WTO member countries and were successful in securing contracts for the manufacture of marine craft. The Director of Operations of the Hong Kong Police Force confirmed that local ship building companies had been successful in bidding contracts for the manufacture of marine craft for use by the Police. The General Manager (Government Dockyard) of Marine Department said that the splitting of contracts might not be conducive to manufacturers because they could not be able to benefit from the economy of scale. The Secretary for Financial Services and the Treasury added that the Administration was well aware of HKFTU's suggestion but there was a need to abide by the WTO GPA. To facilitate members' understanding, Dr LUI Ming-wah requested the Administration to advise the number of marine Police craft which had been procured through tender over the past 20 years and to explain how many of these were successfully tendered by local ship manufacturers.

24. As the Administration had provided the manpower and fleet requirements under VMPP requested by the Panel on Security, Mr LAU Kong-wah said that he supported the proposed replacement of marine craft which would enhance port security and response capability.

25. Mr Jeffrey LAM also expressed support for the proposal as this would enhance the effectiveness of the Marine Police in deterring mass illegal immigration from the Mainland and the traditional coastal smuggling activities. He then enquired about the service lives of the marine craft to be procured. PS for S said that the service lives of the 42 marine craft to be procured would be around 15 to 18 years while that of the Central Command System would be around 10 years. The Administration would take into account the latest advancement in ship building technology in deciding on the need for replacement of the marine fleet. In response to Mr LAM's further enquiry on protection of the safety of Police officers engaged in the operation of high-speed vessels, the Regional Commander of Hong Kong Police Force (Marine) (RC(M), HKPF) said that the Marine Police had put in place a package of safety measures. These included the enhancement of training to ensure safety in the operation of marine craft and the provision of protective gear as well as

padding for the safety and health of officers in accordance with occupational safety requirements.

26. On implementation plan, RC(M), HKPF said that tenders would be conducted in stages for the acquisition of thermal imager systems, electronic navigation equipment, two Barge Operating Platforms, 17 Medium Patrol Launches and 23 Divisional Fast Patrol Craft. As regards Dr LUI Ming-wah's enquiry on the disposal of used marine craft, PS for S said that there were established guidelines governing the disposal. Used marine craft would normally be sold at public auction and the proceeds of sale would be returned to the Government.

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

Item No. 5 - FCR(2005-06)16

CAPITAL WORKS RESERVE FUND

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Marine Department

- ♦ **New Subhead “Replacement of Sailing Information Display Systems at Cross-boundary Ferry Terminals”**

28. The Chairman advised that the Panel on Transport noted the relevant information paper circulated by the Environment, Transport and Works Bureau on 27 May 2005.

29. While indicating support for the proposal, Ms Miriam LAU queried the long lead time taken to replace the Sailing Information Display System (SIDS) which already had 1 048 fault incidents in 2004, representing an average fault rate of thrice a day. As the proposed replacement would take 34 months to complete, she was concerned that the public would have to bear with the increasing fault rate of the deteriorating system during the interim. This had demonstrated a lack of vision on the part of the Administration and she hoped that it should be more forthcoming in planning for replacement of facilities in future.

30. The Deputy Secretary for the Environment, Transport and Works (Transport) (DS(T)) agreed with members the need to strike a good balance between optimizing the service lives of facilities and forward planning for the replacement of facilities which had not been performing satisfactorily. Given that the performance of SIDS had been deteriorating over the past two years, there was a need for replacement of SIDS to enhance the reliability of dissemination of ferry service information. The General Manager (Services) of Marine Department added that while the occurrence of fault incidents had become more frequent recently, most of the fault incidents were localized and only affected peripheral components of the SIDS.

31. Ms Miriam LAU enquired about the financial impact of the proposal on the fees relating to the two cross-boundary ferry terminals and whether it was the Administration's intention to recoup the cost of replacement. DS(T) said that as the cost of replacement of SIDS would form a very small part of the operating cost of the two cross-boundary ferry terminals, the impact of the proposal on the berthing charges and the passenger fares would be minimal.

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

Item No. 6 - FCR(2005-06)17

HEAD 186 – TRANSPORT DEPARTMENT

♦ Subhead 603 Plant, vehicles and equipment

New Item “Procurement of specialised vehicles for Route 8 Control Area”

33. The Chairman advised that the Panel on Transport noted the relevant information paper circulated by the Environment, Transport and Works Bureau on 27 May 2005.

34. Noting that some of the specialized vehicles to be procured would be used for cleansing tunnel walls, Ms Miriam LAU asked if this implied that the Route 8 Control Area would be managed by Government. DS(T) explained that while the management, operation and maintenance (MOM) of Route 8 Control Area would be outsourced to a private management company as in the present arrangement with Lantau Link, the ownership of specialized vehicles would remain with the Government as part of its fleet. This would ensure smooth and flexible changeover from one contractor to another upon expiry of the MOM contract, as the outgoing contractor would not have to dispose of the vehicles and the new contractor would not have to purchase a new fleet.

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

36. The meeting was adjourned at 4:00 pm.