

立法會
Legislative Council

LC Paper No. CB(2)597/04-05
(These minutes have been
seen by the Administration)

Ref : CB2/PL/HA

Panel on Home Affairs

Minutes of meeting
held on Friday, 10 December 2004 at 10:45 am
in Conference Room A of the Legislative Council Building

Members present : Hon Tommy CHEUNG Yu-yan, JP (Chairman)
Hon Albert HO Chun-yan
Hon James TO Kun-sun
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LI Kwok-ying, MH
Hon Daniel LAM Wai-keung, BBS, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon WONG Ting-kwong, BBS

Members absent : Hon TAM Heung-man (Deputy Chairman)
Dr Hon Philip WONG Yu-hong, GBS
Hon WONG Yung-kan, JP
Hon LAU Wong-fat, GBS, JP
Hon CHOY So-yuk
Hon Albert CHAN Wai-yip
Hon Patrick LAU Sau-shing, SBS, JP

Public Officers attending : Item IV
Mr Stephen FISHER
Deputy Secretary for Home Affairs (1)

Ms Esther LEUNG
Principal Assistant Secretary for Home Affairs (1)

Ms Fony LUI
Senior Executive Officer (1)4, Home Affairs Bureau

Mr Y S LEE
Chief Project Manager, Architectural Services Department

Item V

Mr Stephen FISHER
Deputy Secretary for Home Affairs (1)

Miss Joanna CHOI
Principal Assistant Secretary for Home Affairs (Special Duties)

Attendance by invitation : Item IV

Commission on Youth

Dr Philemon CHOI
Chairman

IBM Business Consulting Services

Mr Bruce WILLIAMSON
Consultant

Ms Michelle KAM
Consultant

Clerk in attendance : Miss Flora TAI
Chief Council Secretary (2)2

Staff in attendance : Ms Joanne MAK
Senior Council Secretary (2)2

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- I. Confirmation of minutes**
[LC Paper No. CB(2)343/04-05]

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The minutes of the meeting held on 9 November 2004 were confirmed.

II. Information paper(s) issued since the last meeting

[LC Paper No. CB(2)233/04-05(01)]

2. Members noted that since the last regular meeting, the Panel had received a submission from the Housing Information Hot Line on the procurement of third party risks insurance by owners' corporations/property owners.

III. Items for discussion at the next meeting

[Appendixes I and II to LC Paper No. CB(2)342/04-05]

3. Members agreed to discuss the following items at the next regular meeting to be held on 14 January 2005 at 10:00 am –

- (a) reports on privacy and media intrusion and civil liability for invasion of privacy published by the Law Reform Commission of Hong Kong;
- (b) survey on public attitudes towards sexual minorities; and
- (c) capital works project on Tseung Kwan O Sports Ground.

Members further agreed that deputations should be invited to give views on the two reports referred to in paragraph 3(a) above.

IV. The Centre for Youth Development Project

[LC Paper Nos. CB(2)342/04-05(01)-(02) and CB(2)416/04-05(01)]

4. Deputy Secretary for Home Affairs (1) (DSHA(1)) briefed members on the Administration's proposal to adopt a Public Private Partnership (PPP) approach for the Centre for Youth Development (CYD) in the form of the Operation and Maintenance (O&M) model with a single contract as set out in paragraph 22 of the Administration's paper. DSHA(1) said that the findings of the consultancy study concluded that the CYD would incur an operating loss under all possible scenarios under a public sector delivery model. DSHA(1) further said that the adoption of the proposed PPP model could ensure that the CYD operated on a self-financing basis and could effectively achieve the youth development objectives of the CYD.

5. DSHA(1) said that if the Administration was to proceed with the proposed PPP model, it would adopt measures to ensure that the operator fully

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complied with the youth development objectives of the CYD and to monitor the operator's performance. DSHA(1) further said that the Administration would continue to discuss with the Commission on Youth (COY) on the detailed specifications of youth development programmes and service requirements which would be spelt out as the service requirements for the purpose of the open tendering exercise for the single O&M contract of the CYD.

6. Dr Philemon CHOI, Chairman of the COY, briefed members on the COY's expectations on the CYD on the following three aspects –

- (a) *Content of youth development programmes to be provided at the CYD*: international/cross-border youth exchange programmes, arts and cultural training, leadership training, attachment and on-the-job training making use of hostel and retail facilities at the CYD, district-based youth forums under the COY, and a hub for innovative products and services initiated by young people, etc.
- (b) *Participants*: the Hong Kong Council of Social Service would coordinate with its member organisations in the use of the facilities at the CYD. Overseas national youth councils had also expressed interest in sending delegations to participate in activities organised at the CYD.
- (c) *Partner organisations*: the Vocational Training Council, the Arts Development Council and universities had expressed interest in organising activities and training on youth development and vocational skills by making use of the facilities at the CYD.

7. Principal Assistant Secretary for Home Affairs (1) (PAS(HA)(1)) briefed members on the various measures that the Administration would take to ensure compliance with the youth development objectives of the CYD and to monitor the operator's performance, as set out in paragraphs 26 and 28 of the Administration's paper.

Discussion

Concern about the proposed PPP model of a single O&M contract

8. Mr Albert HO asked why the Administration considered that the CYD could be financially sustainable only if it was to be managed and operated by a commercial operator and not by a non-profit making organisation. Mr HO pointed out that when the Finance Committee (FC) granted approval to the funding proposal for the construction of the CYD in 2001, FC was informed by the Administration that the CYD would be managed and operated under a Limited Company model. Mr HO considered that as there was now a major

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change to the original proposal, the Administration should submit the current proposal to FC to seek its approval again.

9. Mr Albert HO further said that many youth organisations had expressed the view that they would rather the Administration scrap the project, and that the funds saved could be re-allocated to enhancing youth services. The sector had suggested that if the project was scrapped and the site sold, the income generated from the land sale could be used for setting up a fund to finance youth services. Mr HO said the sector was of the view that this would be a better way forward than providing a CYD managed and operated on the basis of commercial principles. Mr HO added that the sector had also expressed doubt as to whether the Administration could really ensure that the operator would comply with the youth development objectives of the CYD.

10. DSHA(1) responded that the current proposal was not fundamentally different from the original proposal submitted to FC in 2001. He explained that the Administration's current proposal still adhered to the principle that the CYD project would operate on a self-financing basis. He said that the only change was that the Government was not going to set up a limited company which would hire its own staff to manage, operate and maintain the CYD. Instead, the Administration now proposed to engage a commercial company experienced in property or hostel management to be responsible for the management and operation of the CYD. The Administration considered that the operating expenses of the CYD could be reduced and its rental incomes would be raised through commercial operations, since the operator would have relevant commercial experience and should be capable of boosting the utilisation rate of the facilities at the CYD.

11. DSHA(1) said that the Administration would ensure that the adoption of the proposed PPP model in the operation and management of the CYD would not undermine the youth development objectives of the CYD. DSHA(1) further said that the Administration was going to state clearly in the contract the strategic roles with specific objectives in youth development work that the CYD should assume, and that any programme organised at the CYD should seek to fulfill such objectives and roles.

12. DSHA(1) said that the piling and basement works for the CYD which cost about \$110 million had already been completed. Tender for the superstructure works had been invited but award of the tender had been put on hold. DSHA(1) informed members that the Administration had obtained the agreement of the tenderers for extensions of the tender validity to 1 January 2005. DSHA(1) said that subject to members' views, the Administration intended to submit the tender for the construction of superstructure works for the approval of the Central Tender Board as soon as possible. The construction works could then be resumed in early 2005 for completion by early 2007.

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13. DSHA(1) said that if the Administration were to sell the site of the CYD, it would first have to reinstate the site and that would cost about \$30 million. Moreover, as the site was currently zoned as Government/institution/community uses, approval would have to be sought from the Town Planning Board to re-zone it for commercial and residential purposes. DSHA(1) further said that another constraint of the site was that the roundabout of the MTR was within the site of the CYD. He explained that given the many constraints of the site, the value of the site would certainly be affected. DSHA(1) added that there was indeed a genuine need for the CYD and if this chance was given up, it would take a long time for the Administration to find another suitable site for building the CYD.

14. Dr Philemon CHOI said that the CYD would serve as a focal point for youth development activities and provide affordable venues and facilities for organising youth programmes. Dr CHOI further said that although the location of the CYD was far from ideal, access to it from other districts should not be a problem given its proximity to Chai Wan MTR Station. He agreed that youth organisations in general lacked experience in the management of hostels or shopping centres, and that the adoption of the proposed PPP model to deliver the CYD project, if proved to be successful, could set a good example for implementing further similar public works projects.

15. Mr Albert HO remained of the view that the Administration should submit the current proposal to FC to seek its approval, given that the currently proposed management and operation mode of the CYD was fundamentally different from the original proposal and that some FC members might have strong views against the adoption of a PPP approach. Mr HO pointed out that profit making would be the priority for a private company. Mr HO questioned why the Administration preferred to have a single contractor to operate the CYD but not to contract out the management and operation of only certain facilities, such as the cafeteria and the hostel, to different contractors under separate contracts.

16. DSHA(1) responded that if the Government were to set up a wholly-owned subsidiary company responsible for contracting out certain facilities at the CYD, the Government would bear all commercial risks arising from the operation of the CYD. In that case, the Administration could not undertake that no recurrent financial resources would be required for the CYD. DSHA(1) added that the consultancy study had shown that the CYD would incur an operating loss under all possible scenarios under a public sector delivery model. However, the consultancy study had also pointed out that the shortfall could be reduced with some changes to the mix and use of the facilities in ways which would bring about an increase in the rental income. It might also be possible to breakeven with a reduction in operating expenses, especially staffing costs.

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17. Dr Fernando CHEUNG also expressed concern about the adoption of the proposed PPP model to deliver the CYD project. He questioned whether the operator, which was only a private company under this model, could assume those very important strategic roles with specific objectives in youth development work as set out in paragraph 24 of the Administration's paper. Dr CHEUNG pointed out that apart from recommending changes to the management and operation mode of the CYD, the Administration's current proposal also recommended substantial changes to the project scope as set out in Annex B to the paper. He agreed with Mr Albert HO that the Administration should submit the current proposal to FC to seek its approval again.

18. DSHA(1) responded that the revised facilities plan was drawn up having regard to the views of those youth organisations which had been interviewed by the consultant in the past few months. DSHA(1) pointed out that the facilities needed to be flexibly designed to allow for various activities and for easy conversion. He added that some facilities, such as the audio recording room and photography/dark rooms, were considered to be no longer necessary due to fast changing technology/youth trends and their availability at many children and youth centres.

19. DSHA(1) pointed out that under the proposed PPP model, the operator would have to propose the youth development programmes organised at the CYD based on the Government's desired objectives. In addition, the Administration was going to specify in its contract that a director for youth development would be appointed and his/her appointment would have to be endorsed by the Government or the relevant board of directors. DSHA(1) reiterated that the proposed PPP model of a single O&M contract was aimed at achieving the self-financing objective of the CYD.

20. Dr Philemon CHOI supplemented that the COY would still be responsible for advising on the strategy, objectives and management of the CYD under the proposed PPP model. He said that the operator would be required to cooperate with the specified partner organisations for the purpose of running the youth development programmes under specified range of themes.

21. Dr Fernando CHEUNG said that once the right of operation was granted to the operator, there would be difficulties for the COY to effectively supervise the operation of the CYD. Dr CHEUNG remained concerned that there was potentially a confusion of roles, as the operator which would be a commercial company was required to assume those strategic roles as set out in paragraph 24 of the Administration's paper.

22. Ms Emily LAU pointed out that in 2001, FC approved the CYD project on the understanding that no recurrent financial resources would be required as the project could operate on a self-financing basis during the initial 10-year period, and that sufficient operating profits could be accumulated for future

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maintenance. DSHA(1) confirmed that the current proposal under discussion still adhered to these fundamental principles.

23. Mr CHEUNG Hok-ming asked whether the Administration had assessed if there were any private companies which would accept the proposed terms and conditions such as those set out in paragraph 26(a) and (b) of the Administration's paper.

24. DSHA(1) responded that under the current proposal, the Government would be responsible for the construction and major refurbishment of the CYD. Therefore, the actual investment on the part of the single contractor would be limited. DSHA(1) explained that several parts of the facilities in the CYD were expected to be able to generate profits, such as the 150-room hostel, since the tourism trade was now thriving. DSHA(1) said that as to other facilities, they should also be able to generate profits if their management was good. DSHA(1) said that the Administration therefore believed that there were private companies which would be willing to submit tender for the operation contract of the CYD project even though the said restrictions were imposed.

Holding a special meeting to receive views from youth organisations and the public on the CYD project

25. Dr Fernando CHEUNG suggested that the Panel should hold a joint meeting with the Panel on Welfare Services to receive views from youth organisations on the current proposal. Dr CHEUNG said that there had been a lack of consultation with the sector on the CYD project ever since its initial stage. He suggested that the Administration should take into account the views received at the special meeting in deciding the way forward in respect of the CYD project.

26. DSHA(1) said that during 1998 to 1999, the Steering Committee on the CYD had conducted several public consultation exercises to solicit views from youth organisations and the public on the facilities to be included in the CYD. Moreover, in the last few months, the consultant had interviewed a number of youth organisations to seek their views on the project. DSHA(1) pointed out that although the Administration had obtained the agreement of the tenderers for extensions of the tender validity to 1 January 2005, if there was any further delay, there might be objections raised by the tenderers. He said that if the Administration had to conduct tendering exercise again for the superstructure works, it would take another 18 months and higher construction costs might be incurred.

27. Ms Emily LAU agreed with Dr Fernando CHEUNG that the Panel should convene a special meeting and invite all interested youth organisations and Members to attend it to give views on the current proposal. However, Ms LAU considered it unnecessary to involve the Panel on Welfare Services.

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Ms LAU pointed out that when the funding proposals on the CYD project were scrutinised by FC in 1999 and in 2001, Members belonging to the Democratic Party and some other Members had expressed objection to the proposals. Ms LAU said that given that the CYD was a controversial project, it was reasonable for the Panel to convene a special meeting to receive views from the sector before taking a view on the way forward.

28. DSHA(1) and Dr Philemon CHOI said that they did not object to the Panel convening the proposed special meeting. Chief Project Manager (CPM) of the Architectural Services Department informed members that tender for the superstructure works was invited in May 2003 and tender submitted in July 2003. CPM said that the tender validity had since been extended for six times up to 1 January 2005. He further said that two of the six tenderers had withdrawn their bids already and any further delay to the superstructure works would be unfair to the tenderers. CPM added that, though he might ask the tenderers to further extend the validity period, he was unsure whether the tenderers would accept any further extension of the validity of tender for the superstructure works at this point of time. Also, justifications on the lengthy extension should be given when submitting the tender for Central Tender Board's approval.

29. Ms Emily LAU expressed dissatisfaction with the Administration's approach of handling the matter. She considered it unfair to the Legislative Council (LegCo) for the Administration to have submitted the current proposal to the Panel so late, allowing members little time to consider the proposal in detail. DSHA(1) said that the Administration respected the Panel's every right to further discuss the current proposal. He undertook that the Administration would not proceed with the CYD project before the Panel had completed its discussion on the matter.

30. The Panel agreed to hold a special meeting on Monday, 3 January 2005 at 10:45 am to receive views from youth organisations and the public on the current proposal on the CYD project. The Panel also agreed to issue a press release and put an invitation for public views on the website of LegCo. The Chairman requested the Administration to inform the Panel of any new developments regarding the tender for the construction of superstructure works before the special meeting.

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V. Review of advisory and statutory bodies

[LC Paper Nos. CB(2)342/04-05(03)-(04) and Annex D to LC Paper No. CB(2)3059/03-04(01)]

31. DSHA(1) said that at the meeting of the Panel on 14 July 2004, members had been consulted on the proposal to establish a consultative forum which was summarised in paragraph 2 of the Administration's paper. DSHA(1)

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said that members' views were sought on the progress report on the establishment of the Public Affairs Forum.

32. Ms Emily LAU considered that the Public Affairs Forum fell far short of expectations on how the Government would, as mentioned in the 2004 Policy Address, involve more middle class people in political affairs and the policy-making process. Ms LAU asked whether the Administration had consulted the views of the middle class people or any political parties/affiliations on the current proposal.

33. DSHA(1) responded that after the subject was last discussed on 14 July 2004, the Administration had received enthusiastic feedback from many people expressing interest in participating in the proposed consultative forum. DSHA(1) said that the Public Affairs Forum would consist of 600 members from the business, professional and academic fields. The Administration would designate 120 (20%) out of the 600 places for candidates nominated by political parties and groups with political affiliations currently represented in LegCo. DSHA(1) explained that the Public Affairs Forum was aimed at providing an additional channel to canvass the views of business, professional and middle class people and people from academia who could not afford the time to sit on boards and committees but who would like to contribute to the discussion of public issues. DSHA(1) said that a new modus operandi would be adopted for the Public Affairs Forum, which would conduct discussions by way of the Internet so as to allow forum members maximum flexibility in participating in the forum discussions.

34. DSHA(1) further said that the Public Affairs Forum would operate mainly through a dedicated website which would provide a platform (in the form of a discussion room) for exchange of views among members of the forum. DSHA(1) explained that members of the public, government bureaux and departments, and members of the Public Affairs Forum could access the forum's website. Access to the discussion room would, however, be restricted to members of the forum, and Government bureaux and departments. DSHA(1) said that a small secretariat would also be set up to service the Public Affairs Forum, and summaries of views expressed by members of the forum would be prepared and posted on the forum's website for viewing by the public. DSHA(1) added that the cost implications of establishing the Public Affairs Forum were only about several hundred thousand dollars a year.

35. Ms Emily LAU said that although it did not require the approval of LegCo to implement the Public Affairs Forum, she considered that the forum would merely be a waste of money and would not have much use. Dr Fernando CHEUNG echoed Ms LAU's views. He said that he did not expect for such a narrow-minded proposal recommending the setting up of a forum with nothing special and comprising a membership restricted to a small circle of people only. Dr CHEUNG pointed out that the proposal completely

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failed to address the problems in the appointment system of ASBs, such as the lack of transparency, appointments being restricted to people who were supportive of the Government, non-compliance with the six-year and six-board rules, low participation rate of women, etc. Dr CHEUNG further said that he and many other people had actually hoped that, through the current review, the appointment system could be improved in such ways that appointments would be made based on the principle of merit and more middle class professionals and talents would be appointed.

36. DSHA(1) clarified that the review of ASBs had yet to be completed and apart from the 12 interim reports submitted in the previous legislative session, the Administration would submit further interim reports on individual topics to the Panel before completion of the review. DSHA(1) reiterated that the Public Affairs Forum was aimed at solving the problem that the current framework of ASBs failed to canvass the views of middle class people who could not afford the time to sit on boards and committees but who would like to contribute to the discussion of public issues. DSHA(1) pointed out that the existing ASBs already comprised many middle class people as their members. Other than establishing the Public Affairs Forum, the Administration would explore if it was possible to further enhance the participation of middle class people in the existing ASBs.

37. DSHA(1) further said that the current framework of ASBs had another shortcoming that each of them had specific terms of reference. However, the Public Affairs Forum could provide channels for discussion of general political issues of the day and any matters of common concern to the community.

38. Dr Fernando CHEUNG and Mr WONG Ting-kwong suggested that consideration should be given to opening up access to the discussion room to the public instead of only members of the forum and Government bureaux/departments. DSHA(1) responded that the Administration was concerned that in that case, there might be too many participants and some might not observe the rules of participation, or who might even hack into the website or launch personal attacks on other people.

39. In response to Mr WONG Ting-kwong, DSHA(1) said that the number of members of the Public Affairs Forum could be increased if the forum was well received.

40. Mr WONG Ting-kwong further asked how the views expressed by members of the forum would reach the Principal Officials concerned and whether there were other communication channels between them. DSHA(1) said that other than discussions on the forum's website, if there were any major policy issues published, the Principal Officials concerned might also convene forums to meet forum members in person to collect their views. DSHA(1) further said that with the provision of the Public Affairs Forum, Government

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bureauax/Principal Officials concerned could listen to the views of the forum members instantly, and both sides could conduct interactive discussions on the forum's website. Mr WONG considered that since the costs of establishing the Public Affairs Forum were limited, the Administration could give it a try.

41. Mr Albert HO expressed strong reservations about the establishment of the Public Affairs Forum and criticised the Administration for creating a new kind of elitism under the current proposal. Mr HO considered that the problem with the proposal was that only a small group of people who were selected by the Government would be consulted on important issues and the representativeness of this small group of people was also doubtful. Mr HO was concerned that the Government would create a distorted picture of the middle class people's views on certain issues in consulting this small group of people only. Mr HO supported opening up access to the discussion room to the public.

42. DSHA(1) responded that the Administration proposed to restrict access to the discussion room to members of the forum and the Government bureauax/departments in order to ensure that the discussions were conducted in an orderly and appropriate manner. DSHA(1) reiterated that in order to collect the views of different sectors, the Administration would designate, out of the 600 places, 120 for candidates nominated by political parties/groups in LegCo and 90 for the academia.

43. There being no other business, the meeting ended at 12:45 pm.

Council Business Division 2
Legislative Council Secretariat
13 January 2005