

立法會
Legislative Council

LC Paper No. FC12/06-07
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 15th meeting
held at the Legislative Council Chamber
on Friday, 7 July 2006, at 2:50 pm**

Members present:

Hon Emily LAU Wai-hing, JP (Chairman)
Hon CHAN Kam-lam, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Martin LEE Chu-ming, SC, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, 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, GBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
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
Dr Hon YEUNG Sum
Hon LAU Kong-wah, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Andrew CHENG Kar-foo
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP

Hon Tommy CHEUNG Yu-yan, JP
Hon Albert CHAN Wai-yip
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon WONG Kwok-hing, MH
Hon LEE Wing-tat
Hon LI Kwok-ying, MH, JP
Dr Hon Joseph LEE Kok-long, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
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
Hon TAM Heung-man

Members absent:

Hon James TIEN Pei-chun, GBS, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon LEUNG Yiu-chung
Hon LAU Chin-shek, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon MA Lik, GBS, 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 Amy 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)
Mr Stanley YING, JP	Permanent Secretary for Security
Mrs Apollonia LIU	Principal Assistant Secretary for Security (E)
Ms Sally WONG, JP	Deputy Judiciary Administrator (Development), Judiciary
Miss Vega WONG	Assistant Judiciary Administrator (Development), Judiciary
Mr Thomas CHAN, JP	Permanent Secretary for Housing, Planning and Lands (Housing)
Mr Kenneth MAK, JP	Deputy Director (Corporate Services), Housing Department
Mr Vincent LIU	Principal Assistant Secretary for Health, Welfare and Food (Food and Environmental Hygiene) ²
Mr Donald TONG, JP	Deputy Director (Administration and Development), Food and Environmental Hygiene Department
Ms Rhonda LO, JP	Assistant Director (Operations) ³ , Food and Environmental Hygiene Department
Mr C H YUE, JP	Director of Architectural Services
Mrs Christine FUNG	Chief Executive Officer (Planning), Food and Environmental Hygiene Department
Miss Susie HO, JP	Deputy Secretary for Health, Welfare and Food (Health) ¹
Ms Ernestina WONG	Principal Assistant Secretary for Health, Welfare and Food (Health) ²
Dr FUNG Hong, JP	Hospital Chief Executive of Prince of Wales Hospital
Mr Chris WARDLAW	Deputy Secretary for Education and Manpower
Mr Andrew C S POON	Principal Assistant Secretary for Education and Manpower (Quality Assurance)
Dr Peter W HILL	Secretary General, Hong Kong Examinations and Assessment Authority
Mrs Michelle WONG	Principal Assistant Secretary for Education and Manpower (School Development)
Mr WONG Yan-how	Senior Property Services Manager, Architectural Services Department
Mr Kenneth CHAN	Officer-in-charge (Territorial Control), Environmental Protection Department

Mr Allan W F LEE

Senior Environmental Protection Officer
(Territorial Control)2,
Environmental Protection Department

Clerk in attendance:

Ms Pauline NG

Assistant Secretary General 1

Staff in attendance:

Miss Becky YU

Chief Council Secretary (1)1

Mrs Mary TANG

Senior Council Secretary (1)2

Ms Alice CHEUNG

Senior Legislative Assistant (1)1

Mr Frankie WOO

Legislative Assistant (1)2

Action

Item No. 1 - FCR(2006-07)19

**RECOMMENDATIONS OF THE ESTABLISHMENT SUBCOMMITTEE
MADE ON 14 JUNE 2006**

The Chairman put FCR(2006-07)19 except EC(2006-07)9 and EC(2006-07)11 to the vote. The Committee approved the proposal.

EC(2006-07)9 Proposed –

- (a) **creation of three permanent posts of two Judge of the Court of First Instance of the High Court (JSPS 16) under Judiciary and one Principal Executive Officer (D1) to head a new Secretariat, Commissioner on Interception of Communications and Surveillance;**
- (b) **an increase in the establishment ceiling under Head 80 Judiciary in 2006-07 from \$367,364,000 by \$1,237,920 to \$368,601,920 for creating three non-directorate posts; and**
- (c) **provision of establishment ceiling in 2006-07 of \$5,287,260 to the new Secretariat for creating 16 non-directorate posts;**

for the implementation of the new regime for the regulation of interception of communications and covert surveillance after the passage of the Interception of Communications and Surveillance Bill

2. Ms Margaret NG said that she had requested for separate voting on the proposal. She said that while Members of the Civic Party (CP) had no objection to the proposed number of posts to be created for implementing a new regime provided for under the Interception of Communications and Surveillance Bill (the Bill) to regulate interception of communications and covert surveillance after the Bill came into effect, they had grave concern over the proposal of charging the staffing resources to the Judiciary account. According to the Administration's reply (LC Paper No. ESC37/05-06) to her question on deployment of staffing resources raised at the Establishment Subcommittee meeting on 14 June 2006, the two additional posts of the Court of First Instance (CFI) Judge and the three non-directorate posts of supporting staff for the Panel Judges would be created under the establishment of Head 80-Judiciary. Given that the three non-directorate posts of supporting staff were not performing judicial functions, she questioned why these posts had to be created under the establishment of Head 80-Judiciary. She also considered it more appropriate for the two new posts of CFI Judge to be seconded to the Security Bureau (SB) to implement the new regime under the Bill.

3. The Deputy Judiciary Administrator (Development) (DJA(D)) explained that the personal emoluments and related expenses for all judges and judicial officers were met by provisions under Head 80-Judiciary, regardless of whether they had been appointed to take up any other statutory positions. The Judiciary did not see any reason for the budgetary arrangement for the personal emoluments and related expenses of the two additional CFI Judge posts to be created to depart from the existing practice. Under the Bill, the authority for authorizing all interception of communications and Type 1 (more intrusive) covert surveillance operations would be vested in a member of a panel of judges, consisting of three to six judges of the CFI of the High Court. Moreover, a Commissioner on Interception of Communications and Surveillance (the Commissioner) would be appointed as an independent oversight authority. The Commissioner would be a serving or retired judge not below the level of the judge of the CFI of the High Court. The two CFI Judge posts to be created were to cover the impact of the additional responsibilities arising from the implementation of the new regime under the Bill. As serving judges appointed to perform these functions under the Bill would remain on the establishment of the Judiciary, it would be appropriate for the expenses of the two posts to be charged to Head 80-Judiciary. This arrangement would have the advantage of providing the Judiciary with maximum flexibility in the deployment of resources and would also facilitate the smooth implementation of the new regime without affecting normal judicial work. On the creation of three non-directorate posts of supporting staff under the establishment of the Judiciary, DJA(D) explained that these posts would provide administrative support to the judges appointed as Panel Judges under the new regime. Consistent with the Judiciary's position that the functions of judge's authorization under the new regime were discharged by Panel Judges who were members of the Judiciary, the Judiciary considered it acceptable to provide logistical arrangements, including support staff, under the Judiciary's overall provision of Head 80. Accordingly, the three non-directorate posts should be created under the establishment of the Judiciary and the associated staff costs should be drawn from Head 80-Judiciary.

4. Ms Margaret NG remained of the view that if the CFI Judge posts were created to undertake duties in relation to the regulation of interception of communications and surveillance which were not the responsibility of the Judiciary, it should be SB rather than the Judiciary to bear the related staff costs. Likewise, the same arrangement should apply to the three non-directorate supporting staff who would not undertake judicial duties. Noting that the existing terms of appointment would apply to a serving judge who was appointed as the Commissioner on Interception of Communications and Surveillance (the Commissioner), Ms NG enquired whether the same would apply if the appointment was offered to a retired judge. The Permanent Secretary for Security (PS for S) said that if a retired judge was appointed as the Commissioner following the passage of the Bill, it would be for the Chief Executive (CE) to decide on the terms of appointment, including salary scale, as in the case of other independent statutory offices like the Ombudsman and the Privacy Commissioner for Personal Data. In terms of financial arrangements, while the remuneration for the Commissioner would be met by provisions under Head 80-Judiciary if a serving judge were appointed, in the event where a retired judge was to be appointed the Commissioner, funds for the related staff costs would be included under the new Head of Expenditure to be created for the Commissioner's Secretariat and the remuneration of the Commissioner to be paid therefrom.

5. The Chairman asked the Administration to clarify the rationale for offering different remuneration package to a serving and a retired judge who were appointed the Commissioner. She pointed out that it was a normal practice to offer comparable remuneration for comparable responsibilities. Ms Margaret NG queried why the terms of appointment for the Commissioner should be set by CE if the appointment was offered to a retired judge. She considered that there should be uniformity in salary package for the Commission regardless whether the incumbent was a serving or a retired judge since he would perform the same duties. PS for S explained that there could be reasons for differences in the remuneration for a serving and a retired judge, having regard to the difference in entitlement to remuneration/pension and other benefits and allowances.

6. Mr Albert HO said that the appointment of Commissioner had been deliberated at length by the Bills Committee on the Interception of Communications and Surveillance Bill (the Bills Committee). Given the controversial nature of the Bill and the fact that the proposed posts would not be required if the Bill was not passed, he queried the need to create these posts at the present stage when the Bill was still under scrutiny and a large number of Committee Stage amendments (CSAs) were contemplated. PS for S said that the staffing proposal and relevant arrangements under the new regime would only take effect upon the passage of the Bill. Given that the new regime would have an impact on judicial resources, there was general consensus among Bills Committee members that the Judiciary should be provided with sufficient resources to implement the new regime in order not to affect the operation of existing judicial services, and that the Administration should submit the staffing and resources proposal to the Finance Committee as soon as possible. And having regard to the duration of the temporary validity granted by the Court in respect

of the then prevailing legislation for the authorization of interception and the Law Enforcement (Covert Surveillance Procedures) Order (the Executive Order) governing covert surveillance, to avoid any possible lacuna, the Bill would need to be enacted before the expiry of the temporary validity on 8 August. To ensure smooth implementation of the new regime, the corresponding staffing proposals and all relevant arrangements would also need to be put in place before then.

7. Given that a special Council meeting would be held on 2 August 2006 for the resumption of Second Reading and the Third Reading on the Bill, Mr Albert HO questioned why a special Finance Committee (FC) meeting could not be held immediately after the Council meeting to consider the staffing proposals. PS for S explained that it was uncertain how long the special Council meeting might take to discuss the Bill. Having regard to the need for the Bill to be enacted by 8 August 2006, it might leave very little time to deliberate and implement the relevant financial and staffing proposals after enactment of the Bill. Moreover, as many of the major issues concerning the Bill had already been discussed in detail in the Bills Committee, it would seem appropriate for the Finance Committee to consider the staffing and financial proposals in respect of the Bill on that basis.

8. Mr Albert HO opined that the Bill, even if enacted, might be substantially different from what was originally proposed. It was therefore inappropriate for the Administration to press for the creation of the proposed posts before enactment of the Bill. He hoped that the Administration would give further thoughts to his proposed arrangement. PS for S said that as the Administration intended to put in place the new regime as soon as possible upon the passage of the Bill, it would be desirable for financial and staff resources to be readily available as and when the Bill was passed to ensure the smooth implementation of the new regime. To await passage of the Bill before discussion of the staffing and finance proposals might not be a prudent arrangement. Not convinced of the Administration's response, Mr HO said that Members of the Democratic Party (DP) would abstain from voting on the proposal.

9. Ms Margaret NG shared DP Members' view that the proposed posts were created on the assumptions that the Bill, in its original form, would be passed. Given that the proposed creation of posts under the Judiciary to deal with duties which were not judicial in nature was unprecedented, she considered it necessary for the Administration to set out clearly the related financial and staffing arrangements. PS for S assured members that the status and roles of the Panel Judges and the Commissioner would be clearly and accurately set out in the Bill. As for the financial arrangements and virement of funds between different heads of expenditures, it could be considered separately from the staffing proposal. Ms NG said that CP Members found it hard to accept the arrangement as proposed and would therefore abstain from voting on the proposal.

10. Mr LEUNG Kwok-hung also found it hard to accept that the terms of appointment for a retired judge as Commissioner had to be decided by CE. He said that CE owed the public an apology for having introduced the Executive Order, which

according to the ruling of the High Court was lawfully made, but could not provide legitimate authority for law enforcement agencies to conduct covert surveillance. He said that he would vote against the staffing proposal which was contingent upon the passage of the Bill under scrutiny. He also called upon members who intended to abstain from voting to vote against the proposal, adding that it should only be considered after the controversial Bill was passed.

11. While agreeing that human rights should be protected, Mrs Selina CHOW supported that the Bill was needed to provide for a regime to conduct covert surveillance to combat serious crimes. She said that Members of the Liberal Party would support the timely approval of the staffing proposal to facilitate the smooth implementation of the new regime. She also pointed out that members would not have to worry about abortive costs associated with the creation of the proposed posts since these would not be incurred if the Bill was not passed.

12. Dr YEUNG sum wished to put on the record that the present proposal of creating the posts before the new regime under the Bill, irrespective of whether it would be passed or not, was implemented should not be taken as a precedent.

13. The Chairman put EC(2006-07)9 to the vote. 25 members voted for the proposal, two members voted against and 18 members abstained. The individual results were as follows:

For :

Ir Dr Raymond HO Chung-tai	Dr LUI Ming-wah
Mrs Selina CHOW LIANG Shuk-yee	Miss CHAN Yuen-han
Mr Bernard CHAN	Mr CHAN Kam-lam
Mrs Sophie LEUNG LAU Yau-fun	Dr Philip WONG Yu-hong
Mr WONG Yung-kan	Mr Jasper TSANG Yok-sing
Mr Howard YOUNG	Mr LAU Kong-wah
Ms Miriam LAU Kin-yee	Mr TAM Yiu-chung
Ms LI Fung-ying	Mr Tommy CHEUNG Yu-yan
Mr Vincent FANG Kang	Mr LI Kwok-ying
Mr Daniel LAM Wai-keung	Mr Jeffrey LAM Kin-fung
Mr Andrew LEUNG Kwan-yuen	Mr CHEUNG Hok-ming
Mr WONG Ting-kwong	Mr Patrick LAU Sau-shing
Mr KWONG Chi-kin	

(25 members)

Against :

Mr Albert CHAN Wai-yip	Mr LEUNG Kwok-hung
------------------------	--------------------

(2 members)

Abstention :

Mr Albert HO Chun-yan	Mr LEE Cheuk-yan
Mr Martin LEE Chu-ming	Ms Margaret NG
Mr James TO Kun-sun	Mr CHEUNG Man-kwong
Mr SIN Chung-kai	Dr YEUNG Sum
Mr Frederick FUNG Kin-kee	Ms Audrey EU Yuet-mee
Mr LEE Wing-tat	Dr Joseph LEE Kok-long
Mr Alan LEONG Kah-kit	Dr KWOK Ka-ki
Dr Fernando CHEUNG Chiu-hung	Mr Ronny TONG Ka-wah
Mr CHIM Pui-chung	Miss TAM Heung-man

(18 members)

14. The Committee approved the proposal.

EC(2006-07)11 Proposed creation of two supernumerary posts of one Chief Estate Surveyor (D1) and one Chief Structural Engineer (D1) in the Housing Department for a period of two years up to 6 July 2008; and revision and redistribution of duties and responsibilities among some other directorate posts of the Department to take account of changes in operational needs

15. Noting that Mr WONG Kwok-hing had requested for separate voting but no questions were being raised on this item, the Chairman reminded members to give due consideration on the need for separate voting so that Government officials would not have to spend time in attending the meeting. Mr LEE Wing-tat enquired if any actions could be taken to prevent future recurrences. The Chairman urged members to be more self-disciplined in this respect.

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

Item No. 2 - FCR(2006-07)20

RECOMMENDATIONS OF THE PUBLIC WORKS SUBCOMMITTEE MADE ON 7 and 21 JUNE 2006

17. The Chairman put FCR(2006-07)20 except PWSC(2006-07)31 and PWSC(2006-07)33 to the vote. The Committee approved the proposal.

PWSC(2006-07)31 33NM General improvement to five markets

18. Mr LEE Wing-tat was concerned about the impact of the improvement works on the business of the stalls, particularly when some of these works would last over a year. The Deputy Director (Administration and Development) (DD(A&D)) of Food and Environmental Hygiene Department said that the Administration had

consulted the Market Management Consultation Committees of respective markets and the relevant District Councils on the timing and scope of the improvement works and had obtained their support. To minimize disruption to the operation of the markets, these improvement works, the duration of which would vary from 10 to 16 months, would mainly be carried out during the non-operating hours of the markets and at night. Where necessary, temporary closure of markets by zones would be arranged but this would be kept to the minimum. Rental waiver/reduction would be granted to the tenants affected by market improvement works in accordance with the Government's established procedures. Normally, rental waivers would be granted if the improvements works resulted in temporary closure of business for one week or more. Meanwhile, 50% rental reduction would be offered to stallholders whose businesses were affected by improvements works being carried out at the same floor and 30% rental reduction would apply to those whose businesses were affected by works carried out at the floor above and below.

19. Despite the Administration's confirmation that it had obtained the support of the respective District Councils on the implementation of improvement works, Mr LEE Wing-tat noted that the Public Works Subcommittee had received an objection to the improvement works from stallholders of Tsuen Wan Market forwarded by Mr KWONG Kwok-chuen of the Tsuen Wan District Council. DD(A&D) said that the Administration had consulted the Market Management Consultation Committees of the Tsuen Wan Market and the Yeung Uk Road Market on 3 March 2006. It had also consulted the Tsuen Wan District Council on 28 March 2006 and obtained its support. It was possible that some of the stallholders had reflected their concerns on the improvement works to their District Councillors. The Administration would endeavour to address their concerns as far as practicable.

20. Mr LEE Wing-tat enquired if there were objective standards to assess the impact on the business brought about by the improvement works. DD(A&D) said that works which would require temporary closure of operation would include installation of fire preventive measures at the ceiling of the markets and replacements of floor tiles etc. If such works were to be carried out, the stallholders would either be offered rental waivers or asked to relocate to alternative stalls to continue their business. Mr LEE however pointed out that relocation might not be feasible for certain trades, such as frozen food stalls where refrigeration facilities were required. DD(A&D) agreed that there were relocation difficulties for certain trades and they would be offered rental waivers instead. Since the improvement works were not of a large scale, temporary closure of market stalls was not expected to last more than a few weeks. Efforts would also be made to expedite the works schedule as far as practicable.

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

PWSC(2006-07)33 51MM Prince of Wales Hospital – extension block

22. Dr KWOK Ka-ki, Chairman of Panel on Health Services, said that the proposal was twice discussed by the Panel at its meetings on 8 May and 12 June 2006. While the Panel was in support of the proposal, there was request for retention of the existing blocks of Prince of Wales Hospital (PWH). It had also enquired about the future development plans for PWH.

23. Given the inadequacy of space at PWH, Dr YEUNG Sum said that the proposed provision of an extension block was well supported. However, there was concern about the redevelopment plans for PWH which might involve the demolition of the existing blocks of the hospital building, resulting in wastage of hospital resources. He considered that the Administration should undertake not to demolish the existing blocks of PWH upon the provision of the new extension block.

24. The Deputy Secretary for Health, Welfare and Food (Health)¹ (DS/HWF) explained that while the construction of the new extension block could be a stand-alone project without any consequential implications on the demolition of existing blocks, it would provide capacity for decanting of existing services to facilitate future improvement plans. Upon completion of the new extension block, some of the facilities and services in the existing blocks could be rationalized. A review of the changes needed to the existing blocks to meet operational requirements would be made taking into account factors such as cost effectiveness and sustainability. In reply to Dr YEUNG's further enquiry on whether there were any demolition plans for PWH in the near future, DS/HWF said that a feasibility study would be conducted in 2007 and the future development of PWH would be decided upon the completion of the study in 2008. Efforts would be made to utilize the existing blocks of PWH as far as possible to avoid demolition. She assured members that the relevant Panels and District Councils would be consulted on the future development of PWH.

25. Mr LAU Kong-wah recalled that at the last Public Works Subcommittee (PWSC) meeting, he had questioned the future planning and rationalization programme for PWH given that some of the existing blocks had been used for non-hospital related purposes despite the shortage of space for hospital services. While supporting the proposed extension project which would commence in 2007 for completion in 2010, he found it unreasonable that the proposals for rationalization could only be ready by 2008-09, and that the rationalization programme would take some eight to 10 years to complete. If the use of the existing blocks could not be rationalized after the completion of the new block, consideration should be given to demolishing them so that better planning could be made for the site. He therefore could not agree with Dr YEUNG Sum that the existing blocks should be maintained and should not be demolished.

26. DS/HWF explained that as a matter of priority, the Administration intended to focus on the extension project first to provide PWH with adequate space to meet the standards of a modern tertiary acute hospital for the long-term medical needs of the

community. After the commencement of the extension project in mid 2007, the Administration would proceed to conduct a technical feasibility study on the cost-and-benefit analysis of various rationalization options and these were expected to be ready in 2008-09. While it was estimated that the rationalization programme would take about eight to 10 years to complete, the exact time would depend on the scope of works involved.

27. As rationalization options would include transferring of facilities from the existing blocks to the new extension block, Mr LAU Kong-wah questioned the propriety of proceeding with the extension project before conducting feasibility studies on various rationalization options. He considered it more appropriate the other way round. DS/HWF explained that while the latest conceptual plan had seen scope for rationalizing some of the facilities in the existing blocks, the rationalization of services could not take place until decanting space was made available by the completion of the extension project. Besides, the improvement works would require detailed planning and time. The Hospital Chief Executive of PWH (HCE of PWH) added that the conceptual plan for PWH had been set out in the PWSC paper submitted to FC. As regards Mr LAU's concern on the part of the existing blocks that had been used for non-hospital related services, HCE of PWH said that this mainly involved the staff quarters at Block E which had been leased to outsiders for private use. In the long run, these would be reverted to its intended use as quarters for hospital staff. He added that while directions had been set for rationalizing some of the services in PWH, these were subject to technical feasibility studies and detailed planning.

28. The Chairman enquired about the current occupancy rate of the staff quarters at Block E. HCE of PWH said that he was not in a position to comment on this because leasing matters were taken care of by the Government Property Agency (GPA). However, it appeared that the current occupancy rate was quite high. At members' request, the Administration agreed to provide the occupancy rate for members' reference.

Admin

29. Mr LAU Kong-wah noted at the last PWSC meeting that the Hospital Authority (HA) had written to GPA regarding repossession of Block E upon expiry of the current tenancy agreement. He enquired about the progress of repossession and when the premises could be reverted back to its intended use. HCE of PWH said that an agreement had been reached between HA and GPA that the latter would seek to repossess the premises should these be required for use by PWH. However, he was not able to advise on when the premises could be reverted as quarters for hospital staff as this was beyond his control, given that the repossession procedures had just started and the current tenancy agreement would not expire until two years later.

30. Referring to the Administration's reply circulated under LC Paper No. PWSC91/05-06, the Chairman noted that the demand for staff quarters within hospital sites had dwindled with decreasing occupancy rates. She enquired if there was a need to revert Block E for use as quarters for hospital staff. HCE of PWH clarified

that it was no longer HA's policy to provide staff quarters as places of residence for its staff. There was however a need to provide staff quarters for the doctors and nurses who were on duty and who would require a resting place between shifts, particularly when some of the staff quarters in other blocks had already been used to provide hospital services. Therefore, repossession of the staff quarters at Block E was required in the long term. The Chairman hoped that the premises could be reposessed in two years' time when the current tenancy expired.

31. Mr Vincent FANG expressed concern about the building condition of PWH which had deteriorated over the years, but only piecemeal improvement works had been carried out. Noting that the new extension block could only be completed in 2010, he held the view that consideration should be given to allocating further provisions to improve the situation during the interim. HCE of PWH said that in order to maintain the normal hospital services, the facilities of PWH and the building itself were regularly up kept and maintained to ensure that building problems, such as water seepages, would not occur. Provisions had been allowed for the regular upkeep and maintenance of the existing blocks of PWH as well as urgent repair works. In the long run, the Architectural Services Department (Arch SD) and HA would have to work out the long term improvement plan for PWH.

32. Mr LEE Wing-tat was concerned that the provision of the new extension block would further aggravate the already congested situation in the PWH site. As regards the design of the new extension block, Mr LEE opined that efforts had to be made to ensure good air circulation and energy efficiency. He also enquired if targets were set for the amount of energy to be conserved in the new extension block and how this compared with existing blocks. Expressing similar concern, Ir Dr Raymond HO enquired if the successful tender for the project, which would be constructed using a Design-and-Build (D&B) approach, would need to submit the design to the Energy Efficiency Office (EEO) of the Electrical and Mechanical Services Department to ensure compliance with the energy efficiency objectives, in line with the practice of public projects undertaken by Arch SD.

33. The Director of Architectural Services (D Arch S) said that energy efficiency, sustainability and greening works were the guiding principles in the design of all public projects and guidelines had been set out by Arch SD to ensure that these objectives would be met. He added that EEO staff, being responsible for the formulation and implementation of the energy efficiency policies, worked together with the project team of Arch SD to ensure that all public projects, including those D&B projects, would comply with the energy efficiency objectives. It was expected that the environmental performance of the new extension block would be better than that stipulated in the Buildings Ordinance (Cap. 123). At member's request, Admin D Arch S agreed to provide a list of design standards to be applied to the new extension block in achieving energy efficiency objectives.

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

Item No. 3 - FCR(2006-07)18

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

♦ **Subhead 700 General Non-recurrent**

New Item “Grant to the Hong Kong Examinations and Assessment Authority for temporary accommodation of a centralised onscreen marking centre on Hong Kong Island”

♦ **Subhead 950 Hong Kong Examinations and Assessment Authority**

New Item “Grant to the Hong Kong Examinations and Assessment Authority for fitting out the temporary onscreen marking centre on Hong Kong Island”

35. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 8 May and 12 June 2006.

36. Dr YEUNG Sum, Chairman of the Panel on Education, said that the Panel generally supported the proposed provision of a temporary onscreen marking centre on Hong Kong Island, and that the leasing of commercial premises was required as no suitable vacant school premises could be identified for the purpose. He however wished to put on record his concern about the many recent examination incidents, including missing scripts, misreporting of candidates' scores, leakage of information from examination papers etc, which had seriously undermined public confidence on the reliability of the Hong Kong Examination and Assessment Authority (HKEAA)'s administration and systems. He hoped that HKEAA would conduct a review of its examination administration systems with a view to regaining public confidence.

37. The Secretary General, HKEAA acknowledged that over the years, there had been a series of incidents which had reflected the need for improvement of the culture of HKEAA and implementation of reforms as recommended by the IBM Consultants. HKEAA would proceed with a modernization process by replacing the antiquated manual processing with automated systems, the funding of which had already been provided and the process would take about two to three years to complete. The present proposal aimed to provide the needed funding for the provision of a temporary onscreen marking centre on Hong Kong Island to implement the centralized onscreen marking.

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

Item No. 4 - FCR(2006-07)21

**NEW HEAD “SECRETARIAT, COMMISSIONER ON INTERCEPTION OF
COMMUNICATIONS AND SURVEILLANCE”**

39. The Chairman informed members that the Panel on Security and the Panel on Administration of Justice and Legal Services (AJLS Panel) were consulted on the proposal at the joint meeting held on 22 May 2006.

40. On behalf of Ms Margaret NG, Chairman of AJLS Panel, Ms Audrey EU reported that issues similar to those discussed under EC(2006-07)9 of item 1 were raised at the joint meeting on 22 May 2006. As such, CP Members would maintain their stance and abstain from voting on the proposal.

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

Item No. 5 - FCR(2006-07)22

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

♦ Subhead 873 Codes of Aid for existing schools

New Item “Asbestos management plan for school premises”

42. The Chairman informed members that the Panel on Education was consulted on the proposal at its meeting on 12 June 2006.

43. Mr YEUNG Sum, Chairman of the Panel on Education, said that the Panel generally supported the proposal as potentially-damaged asbestos containing materials (ACMs) would pose imminent risk to public health and hence should be removed once they were identified. There was however concern about the slow progress of ACM removal works which could only be carried out during major school holidays. The Administration was requested to expedite the works as far as possible.

44. Dr KWOK Ka-ki said that he had all along been concerned about the risk posed to public health by ACMs. While supporting the proposed implementation of the Asbestos Management Plan (AMP), he questioned the long time taken to resolve the problems associated with ACMs, which were first identified in the 1980s. He was dissatisfied that under the proposed AMP, the removal of ACMs had to take five years to complete. He opined that AMP could be expedited with the concerted efforts of the asbestos consultants and the schools.

45. The Principal Assistant Secretary for Education and Manpower (School Development) (PAS(SD)) said that the asbestos investigative works had started since the mid-1980s before the enactment of the Air Pollution Control Ordinance (APCO) (Cap. 311) in 1997. The purpose of the asbestos investigative programme was to detect the presence of ACMs and to remove them as soon as they were identified. With the Administration’s efforts, all friable and potentially-damaged ACMs with imminent risk to public health had already been removed once they were identified in about 560 school premises. There were nonetheless low-risk ACMs remaining in these school premises which were in good conditions and made of durable materials of insignificant risk to public health. Provided that they were properly managed, these low risk ACMs need not be removed immediately. Instead, they could be left in place undisturbed and be removed at the time when major repairs for schools were being held.

46. The Officer-in-charge (Territorial Control) (Oi/c(TC)) said that the low-risk ACMs existing in schools were mainly in the form of chalk boards, vinyl floor tiles and corrugated cement roofing sheets. These would not pose significant health risk provided that the asbestos fibres were well contained and undisturbed. The advice from the Environmental Protection Department (EPD) was that these ACMs could be used until the end of their service lives and/or removed at the time when major repairs for schools were being held. PAS(SD) added that the quantity of asbestos fibres from the chalk boards that could be released, if any, under normal usage should be insignificant to present a health risk. The asbestos fibres could only be released when the boards were torn or broken.

47. As regards the long time taken for the completion of AMP, PAS(SD) explained that the asbestos removal works could only be carried out during major school holidays to minimize the disturbance to normal school activities. Besides, the limited number of registered asbestos contractors available in the market qualified for carrying out asbestos works had also confined the scale of removal programme that could be held each year for schools with ACMs. The proposed removal schedule would provide for the complete and orderly removal of all ACMs in the 560 school premises in about five years, without causing much disturbance to normal school activities. Meanwhile, efforts would be made to expedite AMP subject to the availability of registered asbestos contractors.

48. Dr KWOK Ka-ki expressed concern that ACMs would be used until the end of their service lives. He sought elaboration on the asbestos investigation programme and the frequency of inspection of ACMs in public premises. He also enquired about the progress of asbestos removal works in buildings which had been identified to have contained ACMs. The Senior Environmental Protection Officer (Territorial Control) 2 (SEPO(TC)2) said that under the guidelines promulgated by EPD, general inspections on premises with AMCs had to be conducted by registered asbestos consultants every six months and a more comprehensive inspection every two years. Any damaged ACMs would be removed and replaced. PAS(SD) confirmed that ACMs which might cause release of asbestos fibres and pose imminent health risk would be removed once identified without having to await the end of its service life as in the case of a broken chalk board with asbestos fibres.

49. In response to Dr KWOK's further question on the number of schools and premises with ACMs, the Senior Property Services Manager (SPSM) advised that the Arch SD had compiled a register on the buildings which were found to contain ACMs based on the comprehensive survey. According to the results of an investigation study, there were about 560 school premises which were found to contain low-risk ACMs. At present, all friable or potentially-damaged ACMs which posed imminent risk to public health had been removed in accordance with the requirements under APCO. If the remaining identified ACMs were not exposed and were found to be in good conditions, they would be left intact until the end of their service lives.

50. Dr LUI Ming-wah said that asbestos were used in the past for strengthening construction materials. The public needed not worry about the safety of ACMs which were of low risk to health since asbestos fibres were firmly fastened and would not be easily released. In view of the low risk involved in the removal of ACMs, he failed to see the need to engage registered asbestos contractors for the purpose when the removal works could be performed by general contractors equipped with protective gear. As such, the implementation of AMP in the 560 school premises could be expedited and might not require five years to complete. If this was the case, funding for AMP could be made on an annual basis rather than for a period of five years. SPSM said that according to the guidelines promulgated by EPD under APCO, the appointment of registered asbestos consultants/contractors was required in overseeing all activities relating to asbestos management in building premises. The limited number of registered asbestos contractors available in the market had restricted the scale of removal programme that could be held each year. He further advised that Arch SD had issued internal guidelines back in 1986 banning the use of asbestos in the construction of buildings. As such, AMP was targeted at schools which were built before 1990. The Oi/c(TC) explained that registered asbestos contractors were required for the management of asbestos to ensure that the asbestos removed were suitably treated before disposal, without posing risk to public health.

51. Mr Patrick LAU said that the funding proposal was meant to provide funding for the consultants to implement AMP and not the actual removal works which would usually tie in with the repair and maintenance schedule of the schools. He shared Dr LUI Ming-wah's view that the actual removal works needed not be performed by registered asbestos contractors. In fact, the removal works could be overseen by architects engaged in the repair and maintenance projects of schools and carried out by general construction contractors. PAS(SD) said that the school authorities were concerned about the presence of ACMs in school premises and they would like to ensure that ACMs were well managed so that students would not be exposed to health risks. The funding proposal would allow for the appointment of registered asbestos consultants to oversee all activities relating to asbestos management in school premises. Such appointment would provide the needed safety assurance to students and teachers. She further explained that the cost of the actual ACM removal works would be funded separately under different heads of expenditure, depending on the scope of works and the expenditure incurred. As most of the ACM removal works would not exceed \$2 million, funding would be sought under Head 156 Government Secretariat: Education and Manpower Bureau Subhead 900 Codes of Aid for existing schools - maintenance, repairs and minor improvement.

52. Dr Patrick LAU asked whether the registered asbestos consultants would be supervising the architects and construction workers in the renovation projects for the schools. He held the view that the roles and responsibilities of registered asbestos consultants in supervising ACM removal works and the building professionals in carrying out the respective school renovation projects should be clearly defined. The Secretary for Financial Services and the Treasury said that the health risks associated with exposure to asbestos had been a subject of public concern some 20 years ago. It

was then considered necessary to appoint experts in the management of ACMs. He agreed to the need to improve coordination between registered asbestos consultants and building professionals in the course of ACM removal works which were usually conducted during major repair works for the schools. SPSM supplemented that under APCO, the appointment of registered asbestos consultants was required to oversee the implementation of AMP and the ACM removal works, and to ensure safety in the transport and disposal of ACMs. The consultants would have to comply with registration requirements under APCO and their responsibilities, as set out in the enclosure to FCR(2006-7)22, would include the formulation of AMP, maintenance of updated records on ACMs present in school premises and supervision of ACM removal works. There would be close cooperation between registered asbestos consultants and building professionals in the ACM removal works. PAS(SD) also agreed to follow up with the works departments on the coordination between registered asbestos consultants and building professionals in the ACM removal works and to re-define their responsibilities wherever appropriate. She urged members to support the funding proposal as there was a need for the timely implementation of AMP for the school premises.

53. Dr LUI Ming-wah enquired if there was any difference in the treatment of ACMs with high and low content of asbestos. SEPO(TC)2 explained that there were certain ACMs which were exempted from asbestos control under APCO, such as certain kinds of vinyl floor tiles. Dr LUI further enquired about the asbestos content of chalk boards, vinyl floor tiles and corrugated cement roofing sheets. SEPO(TC)2 said that the asbestos content of chalk boards was around 10% to 15% while that of vinyl floor tiles was from 1% to 5%. It was worth to note that under APCO, the replacement of vinyl floor tiles would have to be performed by registered asbestos contractors as this would involve the tearing of used tiles and the resultant release of asbestos fibres. However, demolition of buildings with vinyl floor tiles would not require the services of registered asbestos contractors because the tiles need not be torn off during the demolition process.

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

55. As this was the last Finance Committee meeting for the 2005-06 legislative session, the Chairman took the opportunity to thank members, the Administration and the Legislative Council Secretariat for their support and assistance.

56. The meeting was adjourned at 4:50 pm.